The Economic Survey and
ANNUAL PLAN, 1970-71

publication succeeds, and incorporates, the "Annual Economic Survey", earlier published under the title "Background to the Budget".

STATISTICAL NOTE

The new series of the National Accounts of Tanzania which have recently been published by the Bureau of Statistics are vastly different from the old series with regard to coverage, source of material and conceptual framework. The revised series have been built up independently of the old series, starting right from the beginning. This was found necessary as the methodology followed previously was largely determined by the scarcity of data in the early sixties. In many cases the old estimates were so crude that wholesale revision was considered unavoidable. In constrast, the revised series have been compiled in the light of wider availability of data as well as fresh data that could be collected quickly.

A detailed description of the concepts, definitions and methodology adopted for the old series may be found in the publication entitled "The National Accounts of Tanganyika 1960/62" (N.A.T.) released by the Bureau of Statistics, in May 1964. As for the revised series only a brief account of the concepts and methodology adopted is given in the "National accounts of Tanzania 1966 to 1968". A more comprehensive description of the definitions and concepts followed in the revised series is under preparation.

The major differences between the old and the revised series may now be briefly summarised as follows. The revised series present, for the first time:—

(1) the consolidated accounts of the nation as recommended by the United Nations in their revised system of National Accounts.
(2) consolidated accounts of all parastatal enterprises;
(3) analysis of expenditure of E.A. Community in Tanzania;
(4) accounts of Government departmental enterprises;
(5) accounts of public non-profit making bodies;
(6) capital formation estimates at constant prices;
(7) breakdown of investment estimates by industry and
(8) estimates of changes in stocks.

Similarly the revised series has, for the first time, adopted the revised standard international industrial classification and has also accorded a detailed and systematic treatment to the activities in Tanzania of the E.A. Community institutions.

The Second Plan was formulated on the basis of the old series of N.A.T. although their inadequacies were fairly well known. Some rough attempt was therefore made to gauge the extent of underestimation in the various sectors. Thus most of the upward revision of the National Accounts had already been anticipated and no drastic revision of the Plan will be necessary on account of the known underestimation of the old series. The old series of N.A.T. underestimated national income by about 25 per cent and capital formation by approximately 11, per cent in 1968.

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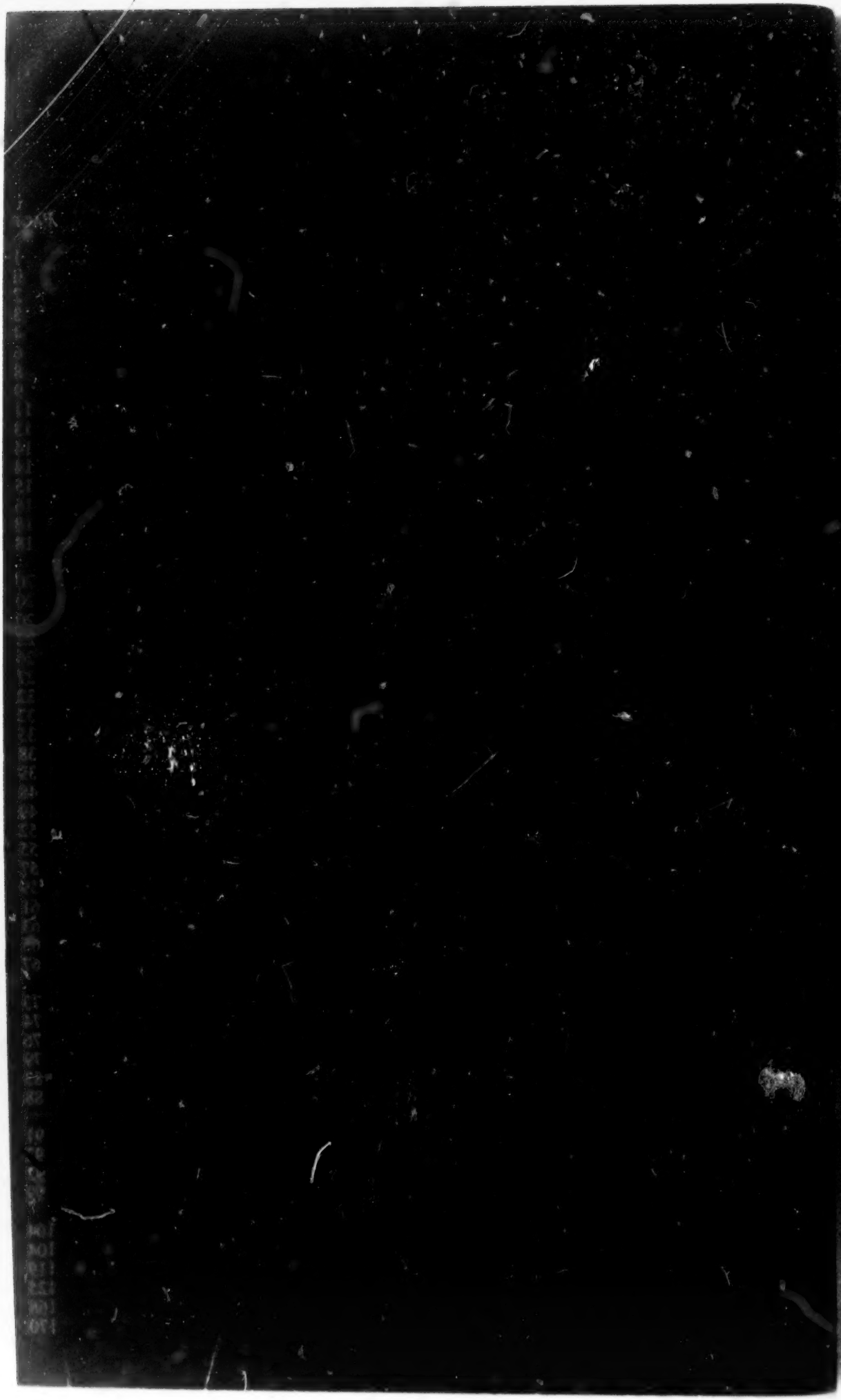


INTRODUCTION

This report, the "Annual Plan and Economic Survey" is designed with three objectives in mind: first, to review overall trends in the economy and its subsectors over the past calendar or fiscal year; secondly, to assess the progress made and problems encountered in 1969/70 in carrying out development programmes during the first year of the Second Five-Year Plan, and thirdly, to set out the main features of the development programme of Ministries and Parastatals for 1970/71. In other words, it is an accounting to the nation of economic achievements, problems and prospects.

2. This is the first time that such an Annual Plan has been prepared in Tanzania, and it follows the broad lines set out for it in Volume I of the Second Five-Year Plan*. It incorporates, and has evolved from, the "Annual Economic Survey" earlier published under the title "Background to the Budget".

3. This "Annual Plan and Economic Survey" is in five parts. Part I is an overall review of the state of the economy in 1969, and the main factors affecting it, both internal and external. It concludes with an indication of the outlook for 1970/71. Part II examines in some detail what has been happening in agriculture and all other major sectors of the economy, and discusses, where relevant, Plan projects, problems, and new policies in each sector. Part III examines some of the main general features of plan implementation in 1969/70, including trends in public finance, the parastatals, regional development, and project implementation, and concludes with a discussion of certain general planning problems. Part IV puts forward the major features of the investment element of the Annual Plan for 1970/71, and discusses sources and uses of funds by both the Ministries and their parastatals. The report concludes with Part V which collects together (a) detailed tabular statements on projects for implementation in 1970/71 and (b) statistical tables on the economy.

4. The report thus covers a very wide range of subjects. For readers who wish to refer to a more limited range of subjects, a comprehensive index and a list of tables is provided.

5. This Annual Plan will evolve, in years to come, in both quality and coverage, as the capacity of the planning machinery itself improves. At present, for example, and indeed as in the Second Five-Year Plan, the process of project selection and preparation is insufficiently integrated with the general policy objectives of each sector; the flow of information on recent performance is capable of substantial improvement, especially in relation to the parastatal sector. Capacity will be built up for more detailed balance of payments planning to parallel the present financial planning. These and other improvements will be incorporated in subsequent editions of the "Annual Plan and Economic Survey".

*pp 219–220.

PART I.—OVERALL REVIEW OF THE ECONOMY

I.—GENERAL REVIEW

1969 marked the conclusion of Tanzania's First Development Plan during which an average annual rate of growth of real domestic product of 5 to 5·25 per cent was achieved in contrast to the previous half decade's 3·25 per cent average. 1969 also saw the launching of the Second Five-Year Plan with a 6·7 per cent growth target.

In terms of overall growth 1969 was below average with 3·7 per cent constant price growth in GDP compared with a revised 1968 result of 5·6 per cent and a 1·4 per cent growth in capital formation compared to 1968's 8 per cent. However, these aggregates conceal the continued high growth rates in the tertiary and, especially, in the secondary sectors of the economy and a sharp rise in government investment and parastatal's project starts.

Agriculture again showed mixed results with crops which did well in 1968—notably coffee, maize, and beans—declining radically and cashew-nuts declining slightly while cotton recovered to a level approaching its 1967 peak and rice, tea and tobacco output continued to rise. The rapid expansion of manufacturing continued with a 12·8 per cent constant price increase in value added and with the ratio of domestic to imported final consumer manufactured goods approaching 6 to 4 as opposed to not more than 1 to 3 or 4 at independence in 1961.

The systematic expansion and co-ordination of government investment capacity carried out as a major part of the planning process since 1964 showed massive results in 1969 with central government fixed investment rising from Shs. 252 to Shs. 411 million. The parallel effort during the Second Plan will be in respect of parastatal enterprises with ministerial investment expected to rise more moderately after another sharp increase in 1970. The co-ordination of parastatal strategy, policy and project preparation and evaluation at operating unit, parent ministry, Devplan and Treasury, and Economic Committee of the Cabinet levels still leaves substantial room for improvement despite initial structural reforms, definition of procedures, and expansion of personnel during the latter part of 1969 and early 1970.

Parastatal operating results have continued satisfactory with preliminary 1969 results suggesting an increase in profits in all sectors except construction. Unhappily this result is not likely to be fully repeated in respect of agriculture in 1970 because of the renewed collapse of sisal prices although construction sector losses should be reduced or eliminated.

The expansion of parastatal activity continued during 1969 and 1970 both with the establishment of new enterprises—especially in manufacturing and processing—and the expansion of output from existing plant—notably in textiles—and the acquisition of interests in new sectors. Among the latter were petroleum distribution, petroleum exploitation, and passenger transport where agreements were concluded in 1970 and sugar production in which Kilombero Sugar Company was purchased in 1969.

The main themes of rural sector development in 1969 are decentralization of decision making supported by the Regional Development Fund, and the establishment of Ujamaa villages. The initial popular response to the concept of socialist agricultural productive communities was much wider than originally anticipated. As a result the programme is requiring more technical advice and agronomic planning support than expected, creating a number of interim bottlenecks and planning problems.

The external trade account swung back to approximate balance in 1969 as exports recovered and imports fell. With a continued strong invisibles account and public capital inflow external reserves grew by almost Shs. 165 million not including the Shs. 35 million Special Drawing Rights allocation of January 1, 1970. Internal balance was also well maintained with the cost of living indices showing 2–3 per cent rises largely as a result of the imposition of sales tax and the GDP deflator showing a 2½ per cent rise. An increased recurrent budget surplus including the transfer to development is anticipated for 1969/70 continuing the 1966/67–1968/69 trend. The 1969/70 level is projected at about Shs. 100 million as opposed to under Shs. 10 million in 1965/66.

The abolition of local rate and produce cess and the institution of a general sales tax at manufacture/import level in the 1969/70 Budget has had several far-reaching effects. It has shifted tax incidence from rural to urban areas to an appreciable extent and also increased the level and buoyancy of central government revenue. It has, however, sharply reduced rural local government revenues requiring the shifting of approximately Shs. 125 million of educational, health, and administrative expenditure to the central government budget and has contributed to the ongoing examination of the future role, nature, and revenue base of local government units.

2.—OUTPUT AND INCOME

After rising to 7·5 per cent in 1968 the rate of growth of Gross Domestic Product declined to 5·7 per cent in 1969—7·4 per cent in the monetary and 1·7 per cent in the subsistence or self consumption sector. In constant 1966 prices the 1968 growth rate was 5·6 per cent and that for 1969 3·1 per cent, 5·7 per cent for monetary and a fall of 2·8 per cent for subsistence production. Over the period 1964–1969 the average growth in constant price terms has been of the order of 5 to 5¼ per cent, significantly below the First Five-Year Plan target of 6·7 per cent but substantially higher than the 1959–1964 average of 3¼ per cent.

The lower rate of growth in 1969 was concentrated in the primary sector where constant price output fell by 1 per cent versus a 2 per cent rise in 1968 but also affected the tertiary sector which grew by 6·1 per cent after an 8·1 per cent expansion in 1968. The secondary sector's growth rate accelerated from 8 per cent in 1968 to 10 per cent in 1969.

The primary sector has grown only 1 per cent over 1966–1969 with a 3·1 per cent increase in agriculture, forestry and fishing partially offset by a 30 per cent fall in mining resulting from the 1966–67 peaking of diamond production and the rapid decline of gold mining. The agricultural stagnation is largely explained by the fact that 1966 was a year in which weather conditions were unusually favourable for almost all crops while 1967 was a very poor year in terms of weather. Conditions in 1968 were average but mixed and 1969 below average but also mixed. Over 1967–69 monetary agricultural, forestry and fishing output grew at an average rate of over 4·3 per cent a year—4·2 per cent in 1968 and 4·4 per cent in 1969. Subsistance agriculture and herding—which includes over 80 per cent of the food supply—fared less well with only 2 per cent growth between 1966 and 1969 and an actua- decline from 1967 to 1969. Only 1968 marked by record food grain crops showed satisfactory growth at 3·2 per cent.

1970 agricultural and livestock prospects appeared in late May to be the most promising since 1960. Weather conditions for major cash crops including cotton, coffee, tobacco and oil-seeds have been above average and in most areas the same is true of maize, rice, and other staple foods. The mineral sector however, is likely to continue to stagnate until major new deposits are proved and brought into production.

Secondary sector growth rates continue to be satisfactory—led by manufacturing at 12·8 per cent and public utilities with an abnormal 25 per cent leap in 1969 although construction growth declined to 3·9 per cent following 36 per cent in 1967 and 6·2 per cent in 1968. Tertiary sector growth was dampened by the temporary slack in transport growth following the completion of the Zambia Pipeline and phasing out of the road oil haulage operation and by the low growth of commerce associated with low rural growth and the interim effects of the mid-year imposition of sales tax.

Between 1966 and 1969 primary sector output fell from 47·7 per cent to 41·5 per cent of monetary G.D.P. while secondary rose from 10·5 per cent to 13·2 per cent and tertiary from 41·8 per cent to 45·3 per cent. The sharpest growth was in manufacturing from 6·3 per cent to 7·6 per cent, construction from 3·3 per cent to 4·4 per cent and transport and communications from 7·3 per cent to 8·7 per cent. Subsistence output declined from 31·3 per cent to 28·9 per cent of total G.D.P.

I.—Gross Domestic Product at 1966 Prices

(Summary)[1]

	1966	1967	1968	1969
Primary Sector	3,144	3,137	3,199	3,179
Secondary Sector	693	832	900	995
Tertiary Sector	2,755	2,966	3,227	3,380
Total G.D.P. ...	6,592	6,935	7,326	7,554
Agriculture, Forestry and Fishing	2,952	2,954	3,062	3,044
Monetary	1,402	1,346	1,402	1,463
Subsistence	1,550	1,608	1,660	1,581

(1)For Details see Appendix Table 3.

3.—CAPITAL FORMATION

Total recorded capital formation in current prices fell by Shs. 18 million, or 1 per cent, to Shs. 1,410 million in 1969. The fall was concentrated in non-monetary capital formation which fell by Shs. 30 million, or 14, per cent while monetary capital formation rose by Shs. 12 million, or 1 per cent, to Shs. 1,226 million. In constant 1966 price terms monetary capital formation fell by Shs. 21 million, or 2 per cent, and total capital formation by 3·6 per cent, or 50 million, to Shs. 1,332 million.

Fixed capital formation in constant price terms grew by 27 per cent from Shs. 979 million in 1966 to Shs. 1,244 million in 1969 for a three year average of 9 per cent, just below the 10 per cent trend target of the Second Five-Year Plan. The 1969 slowdown was concentrated in transport and other equipment which fell by Shs. 96 million as a result of the completion of the Tazama Pipeline and the Zambia lorry route fleets in 1968 and early 1969 and in stocks of cattle which declined by Shs. 15 million largely because of drought conditions in several major grazing areas. Investment in building rose slightly from Shs. 409 to Shs. 420 million in constant prices while other works, primarily highways, harbours and airports, increased by almost 15 per cent from Shs. 286 to 328 million.

The share of monetary fixed capital formation in monetary G.D.P. has risen from under 15 per cent in 1964 to 22·5 per cent in 1968 and has fallen to 20·9 per cent in 1969. The share of total investment in total G.D.P. rose from under 12 per cent in 1964 to 19·8 in 1968 and fell to 19·3 per cent in 1969.

The public sector accounted for 60 per cent of the monetary fixed capital formation in 1969 as against 58 per cent in 1968 and 48 per cent in 1966. Fixed capital formation by the Central Government increased by over 60 per cent to Shs. 411 million accounting for one-third of the total. Investment by local authorities and the East African Community also increased by over 60 per cent. However, investment by the East African Community enterprises and the parastatal enterprises fell by 30 per cent and 53 per cent, respectively. Private and co-operative capital formation fell by 4 per cent as opposed to the Plan target of a 7 per cent increase.

The parastatal investment figure of Shs. 131 million is 30 per cent over the 1966 level of Shs. 101 million and reflects the basic completion of the Tazama Pipeline, the Zambia–Tanzania Road Service Fleet and the Friendship Textile Mill in 1968 rather than any overall loss of momentum. Parastatal project starts and machinery orders during fiscal 1969/70 rose sharply over 1968/69, suggesting a rising trend in 1970 and 1971 recorded fixed capital formation by the sector.

East African Corporation investment declined largely because of delays in Dar es Salaam Harbour construction work and in procuring additional diesel locomotives with the resultant investment figure being Shs. 67 million, or almost 15 per cent below the 1966 level and just over 50 per cent of the 1967 peak investment level of Shs. 119 million. Private and co-opera-

tive investment in buildings and machinery appears to have risen but to have been more than offset by a decline in transport equipment investment. The 1966/1969 annual growth rate of this sector has been barely over 2 per cent from Shs. 434 million to Shs. 468 million.

The Shs. 1,300 million monetary fixed capital formation for the initial year of the Second Five-Year Plan should be met as the 1970 level will probably be of the order of Shs. 1,350–1,375 million or 8–10 per cent above 1969 for a 1969/70 average of Shs. 1,290–1,300 million.

FIXED CAPITAL FORMATION (CURRENT PRICES) (SUMMARY)[1]

	1966	1967	1968	1969
Monetary Gross Fixed Capital Formation	829	1,066	1,163	1,161
Monetary Gross Domestic Product	4,530	4,771	5,174	5,557
Percentage Share of Fixed Capital Formation in G.D.P.	19·3	22·3	22·5	20·9

(1)For Details see Appendix Table 5.

4.—INTERNATIONAL TRADE

Tanzania's external trade, including trade with Kenya and Uganda, fell by 1 per cent in 1969 after a 5 per cent rise in 1968. This was solely due to a 6·8 per cent fall in imports. Exports, which fell in 1967 and 1968, rose by 4·4 per cent but are still 4·9 per cent below the 1966 record level. A trade surplus of Shs. 83 million on a customs return basis was recorded, while, on an adjusted basis, there was almost exact balance between imports and exports representing a sharp improvement over the Shs. 187·5 million deficit of 1968.

The fall in the import bill was a result of lower imports of consumer, capital and transport goods. The only major class of imports to register an increase was that of intermediate goods. On the export side, large value increases were recorded for cloves (Shs. 92 million), Diamonds (Shs. 43 million) and cashewnuts (Shs. 12 million) while the value of cotton exports fell by Shs. 48 million. Petroleum product exports fell by Shs. 57 million largely because of valuation point changes resulting from the pipeline's replacement of road transport which will lead to a Shs. 40 million invisible export receipt from dividends in 1970. Price movements were very diverse with a 279 per cent increase in the case of cloves and an 80 per cent rise for cashewnuts rather more than offsetting falls in respect of cotton, coffee, tea and most oilseeds.

VALUE OF TANZANIA'S INTERNATIONAL TRADE

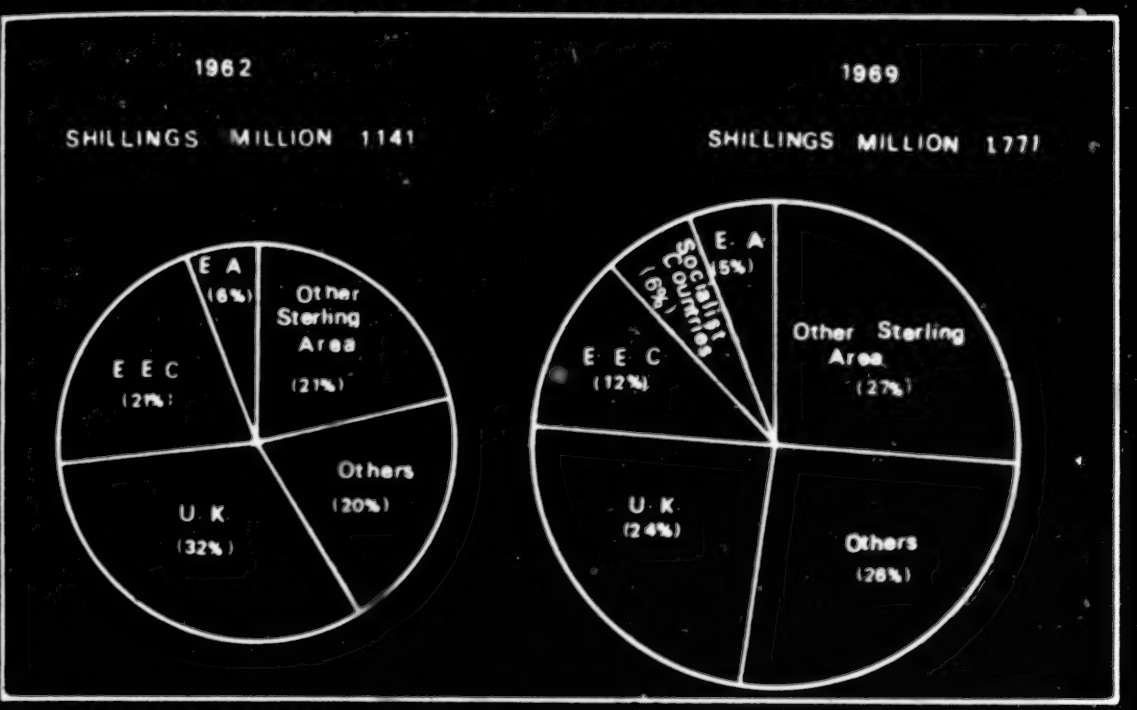
Table 9 — Million Shillings

Item	1962	1965	1966	1967	1968	1969
Exports:						
Domestic exports	1,076	1,313	1,668	1,645	1,585	1,667
Exports to Kenya and Uganda	65	121	98	83	91	104
Re-exports	52	31	112	32	41	22
Total Exports ...	1,193	1,465	1,878	1,760	1,717	1,793
Imports:						
Net imports	885	1,068	1,359	1,345	1,532	1,419
Imports from Kenya and Uganda	242	337	332	280	302	291
Total Imports ...	1,127	1,405	1,691	1,625	1,834	1,710
Total Value of Foreign Trade ...	2,320	2,870	3,569	3,385	3,551	3,503
Balance of Merchandise Trade ..	+66	+60	+187	+135	−117	+83

Source.—East African Customs and Excise Department.

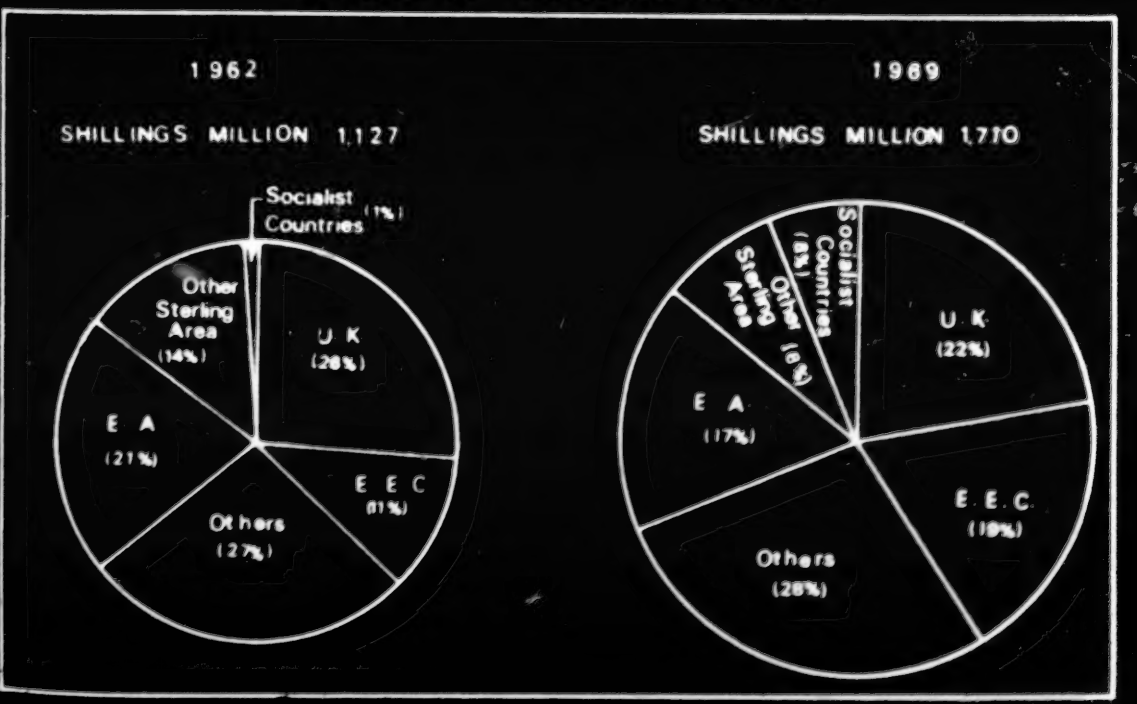
*Includes Zanzibar.

DESTINATION OF TANZANIA EXPORTS*

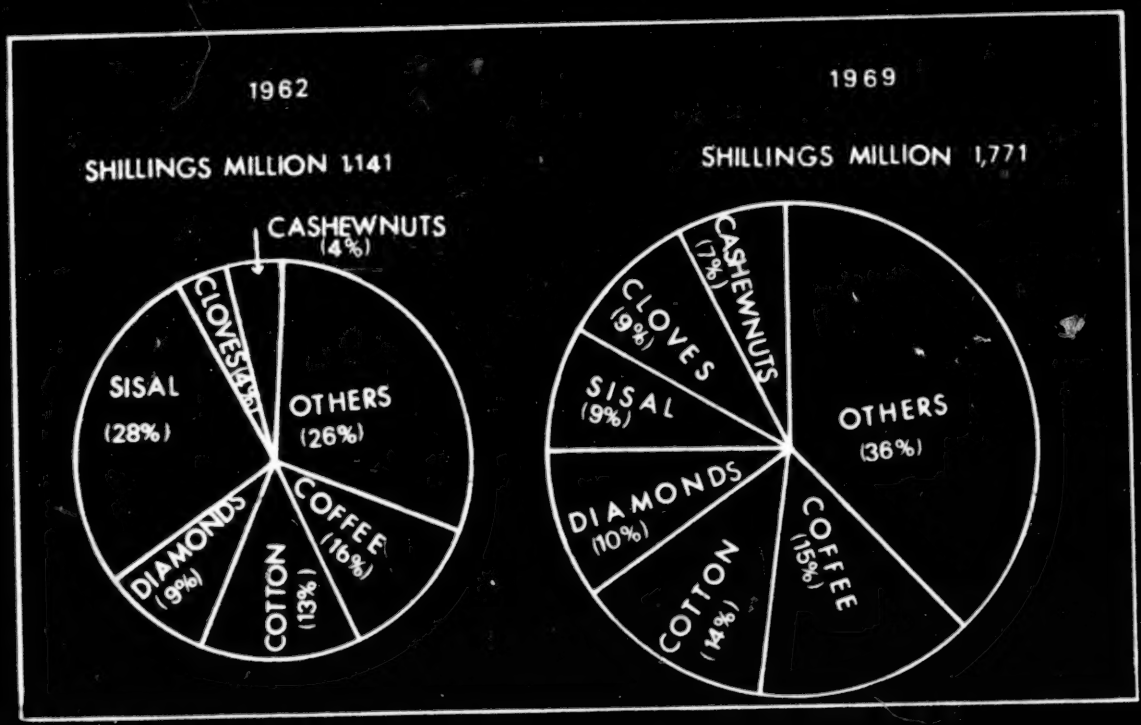


*Excluding re-exports

SOURCE OF TANZANIA IMPORTS

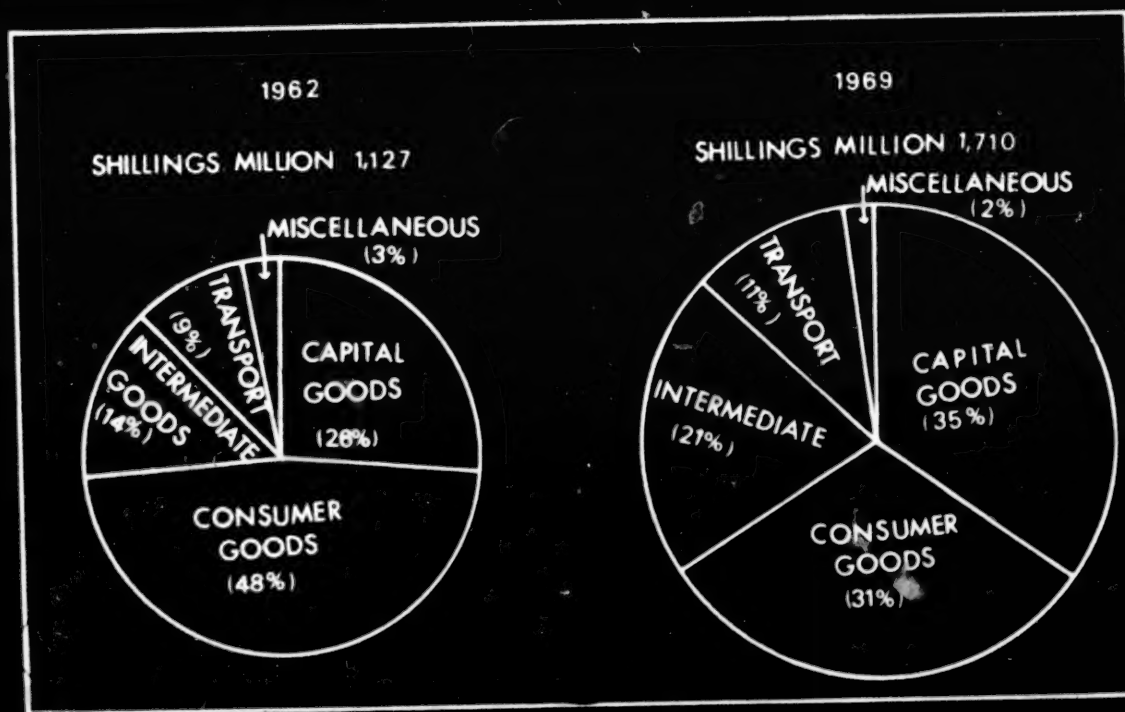


COMPOSITION OF TANZANIA EXPORTS*



*Excluding re-exports

COMPOSITION OF TANZANIA IMPORTS



Composition of Trade

The share of the four major traditional iterms—cotton, coffee, sisal and diamonds—in total exports continued to fall. In 1969 they accounted for just under 50 per cent of the total, as opposed to 53 per cent in 1968 and 65 per cent in 1962. Sisal exports were at an unchanged level and accounted for only 9·6 per cent of the total, compared to 29 per cent in 1962. Indeed, cashewnuts and—probably less permanently—cloves are now almost comparable in importance as export crops.

The total value of exports in 1969 was 27 per cent above the 1965 level, despite the falling prices for cotton, coffee and sisal. The crops which have contributed significantly over the past four years are: coffee (up by Shs. 85 million or 50 per cent), cloves (up by Shs. 106 million or 230 per cent), Cashewnuts (up by Shs. 36 million or 43 per cent), Tobacco (up by Shs. 25 million or 350 per cent) and tea (up by Shs. 19 million or 66 per cent). Cotton fell by Shs. 9 million (or 4 per cent) and Sisal by Shs. 126 million (or 44 per cent) from an already distressed level.

The remarkable increase in export receipts from cloves in 1969 was due entirely to abnormally high prices—although the volume of exports fell by about 40 per cent, their value rose by 150 per cent. Price rises were also recorded for diamonds, cashewnuts and meat products.

Although the overall export performance was encouraging, this was due largely to the temporary high prices for cloves. If these exceptional price rises had not occurred then total exports would have fallen again in 1969. Prospects for 1970 appear reasonably bright given the recent 25 per cent rise in coffee prices combined with a higher anticipated crop, the moderate firming of cotton prices also combined with a good projected outturn and the continued growth of tobacco and cashewnut exports. However, both sisal and clove prices appear likely to be distinctly lower, thus offsetting a portion of other gains. There has been a 25 per cent growth in exports directed to the East African Community between 1967 and 1969 and this rate of growth should continue given the expanded level and range of Tanzanian manufacturing output.

The most surprising feature on the import side is the substantial (Shs. 74 million) fall in capital goods imports, despite the continuing high level of investment. Imports of iron and steel and other metal manufactures fell by Shs. 12 million. Imports of cars rose slightly but those of other transport equipment fell by Shs. 50 million, reaching their lowest level since 1965. Imports of consumer goods fell by Shs. 76 million, the main falls being in Food (Shs. 16 million) and Textiles (Shs. 16 million). The rise in imports of intermediate goods is accounted for largely by increased amounts of chemicals and Fertilizers (Shs. 46 million).

The capital goods decline is certain to be reversed resulting as it does from the bunching of deliveries for major projects in 1968 and a corresponding fall in 1969. The 1969 level, in fact, was the second highest recorded and exceeded 1967 by almost 20 per cent. With the expansion of the manufacturing sector and the increased use of inputs in agriculture, intermediate goods imports are likely to continue to rise rapidly although the forthcoming commissioning of a fertilizer plant and the expansion of the cement plant may cause a temporary slackening after 1970. Transport equipment imports are likely to remain for some years below the 1967–68 peak occasioned by the building-up of a vehicle fleet to serve Zambian needs. However, increased East African Railways equipment imports are planned over the next few years. Consumer goods imports have been relatively static from 1965 onward with erratic fluctuations upwards in 1966 and downward in 1969. Levels around the 1965–1969 average of Shs. 600 million appear likely over the next two years given the counterbalancing forces of growing consumer incomes and rapidly expanding domestic production.

Direction of Trade

Tanzania's largest export market continued to be the United Kingdom, which took over a quarter of total exports in 1969. After a fall in exports to this market in 1968, there was a significant increase of 11·4 per cent in 1969. There were also increased exports to India, North America, China and the European Socialist countries; while exports to the European Economic Community, Japan, Hong Kong and Zambia were below their 1968 levels.

The fall in imports was spread over all the major sources, except Japan, which supplied 8·3 per cent more imports. The largest two sources continued to be the U.K., which supplied 26·6 per cent of total imports and the E.E.C. countries which supplied 22·3 per cent. The normal trade surplus with the U.K. has been restored, at a level of Shs. 51 million. Trade surpluses were also recorded with India (Shs. 84 million), Hong Kong (Shs. 69 million), North America (Shs. 56 million) and other Sterling Area, primarily Zambia (Shs. 169 million). Deficits were recorded on trade with the E.E.C. (Shs. 108 million) and Japan (Shs. 48 million). Trade with China and the European Socialist countries was in approximate balance.

East African Community Trade

The value of Tanzania's trade with its East African Community partners rose marginally (0·5 per cent), with exports rising by 14·3 per cent to Shs. 104 million and imports falling by 3·6 per cent to Shs. 291 million. Thus there was an improvement in the trade balance and the deficit fell from Shs. 211 million to Shs. 187 million. This was made up of deficits of Shs. 177 million with Kenya and Shs. 10 million with Uganda and compares with the peak 1966 deficit of Shs. 234 million (Shs. 188 million with Kenya and Shs. 46 million with Uganda).

Of the items imported from East Africa, the main falls were recorded in cereals, beer, cement, clothing, footwear, soaps and miscellaneous articles. There were increased imports of dairy products, other food products, petroleum products, chemicals, cotton piecegoods and other manufactured articles. On the export side, the largest increase was in food products, which increased fivefolds. Exports of other manufactured goods, clothing, footwear, tobacco, chemicals and legumes also increased while exports of vegetable oils, dairy products, cereals and aluminium circles decreased.

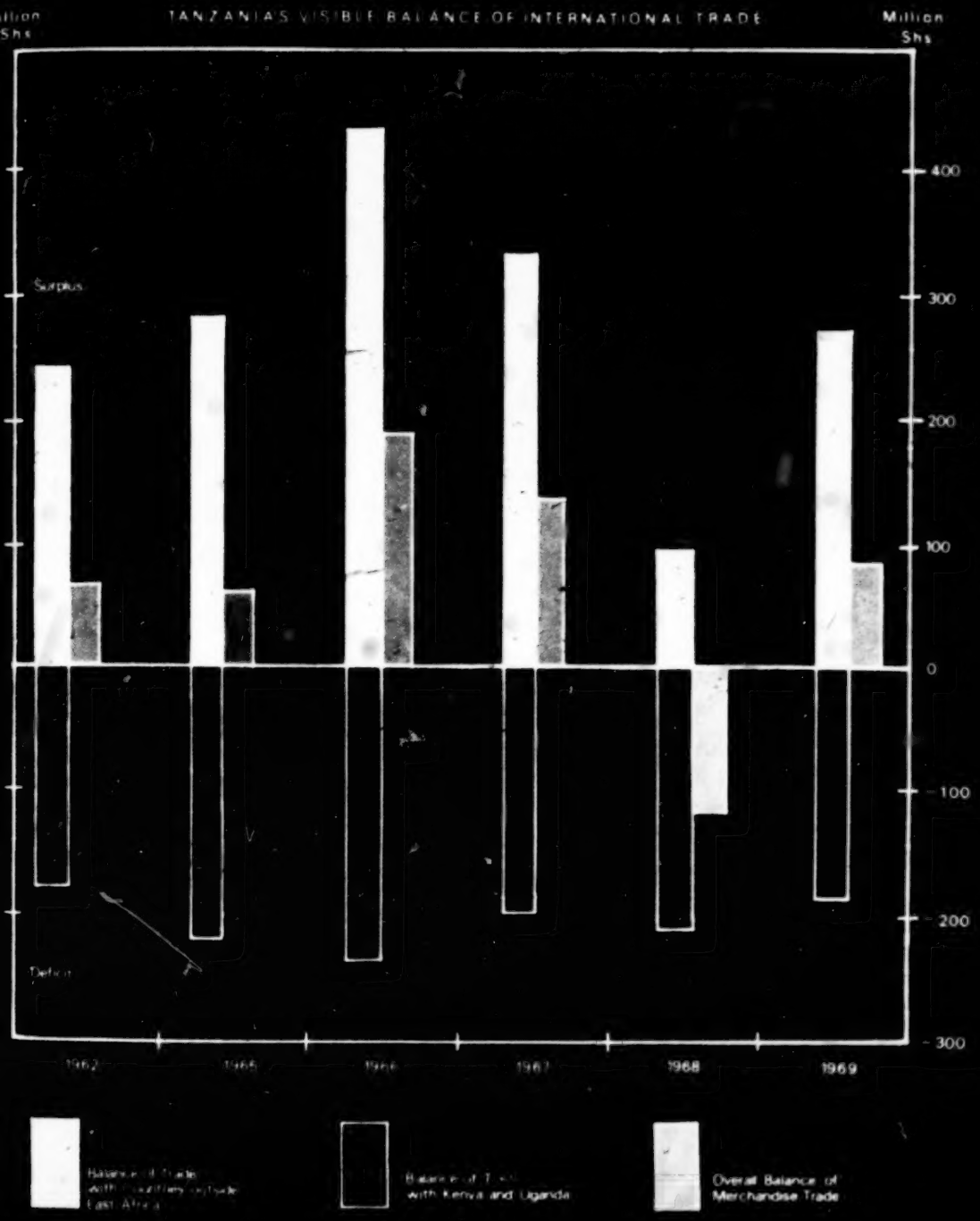
The 1967–69 record of trade within the Community is thus one of modest progress both in total value, which has risen 5 per cent since 1967 and in balance, with Tanzania's intra-community exports now 36 per cent of imports as opposed to 30 per cent in 1967. This is in contrast to the period immediately proceeding the East African Treaty when Tanzania's intra-East African trade in 1967 was almost 20 per cent below its 1965 peak and the export to import ratio had declined from 36 per cent to 30 per cent.

5.—BALANCE OF PAYMENTS

Tanzania's overall balance of payments was again in surplus in 1969. As will be seen in table IV the balance on ordinary transactions at Shs. 156·6 million was almost twice the size of the surplus in 1968. When adjustments are made for small EACB currency redemption and loss on foreign exchange resulting from the devaluation of the French franc, an increase of Shs. 163 million in foreign exchange reserves is shown to have occurred last year compared with an increase of Shs. 92 million the previous year. The main factor behind the improvement in balance of payments was the swing in the balance of trade from a large deficit in 1968 to an almost balanced position last year. Also, a substantial rise in receipts on invisible services compared to payments compared with 1968 added to the overall performance. Whereas net transfers changed little last year, net capital inflow fell quite considerably in comparison with 1968.

The 1968 adjusted trade deficit of Shs. 188 million was turned into a deficit of Shs. 0·5 million in 1969. Both export and import performances contributed to this again. Export earnings which had fallen in 1967 and in 1968 rose by 4 per cent mainly because cloves fetched exceptionally high prices. At the same time minerals and manufactured products exports registered considerable increases in volume. Imports on the other hand fell by 7 per cent in 1969. Especially affected were imports of consumer goods including textiles and those of capital goods. Import substitution and the phasing of development projects were the chief causes of these declines.

Net invisible earnings rose further in 1969. On the receipts side the main increases occured in respect of freight earned by the Zambia Tanzania Road Services Ltd. and also in respect of other passenger and cargo transportation earnings. Income from foreign visitors, mainly tourists, is estimated to have risen from Shs. 66 million in 1968 to Shs. 72 million in 1969, following the ongoing improvements in tourist facilities in the country. Interest on foreign exchange holdings abroad was also higher than in 1968. There was only a modest


TANZANIA'S VISIBLE BALANCE OF INTERNATIONAL TRADE
Million Shs
Million Shs
Surplus
Deficit
400
300
200
100
0
100
200
300
1965
1966
1967
1968
1969
Overall Balance of Merchandise Trade

BALANCE OF PAYMENTS ESTIMATES

Table 21

Millions of shillings

	1968*	1969†
A. Goods:		
Exports f.o.b. (including gold and re-exports)	1,717·8	1,793·2
Adjustments (time, value and coverage)	−18·1	−13·9
Imports c.i.f.	1,833·6	1,709·8
Adjustments (time, value and coverage)	53·6	70·0
Trade Balance	−187·5	−0·5
B. Services:		
Total earnings on services	437·1	492·3
Freight and freight insurance	118·0	133·7
Passenger transportation, etc.	127·3	137·6
Other earnings from foreign visitors	65·5	72·0
Interest, profits and dividends	64·5	75·0
Other services	61·8	74·0
Total payments on services	359·0	374·3
Passenger transportation	95·0	100·5
Expenditure for education	47·6	56·9
Other expenses on travel abroad	40·0	30·0
Interest, profits and dividends	95·6	96·5
Other services	80·8	90·4
Balance on Services	78·1	118·0
C. Transfers:		
Total transfer receipts	189·4	193·2
Private and parastatal	139·3	139·5
Government	50·1	53·7
Total Transfer payments	123·9	123·9
Private and parastatal	78·8	78·8
Government	45·1	45·1
Net transfers	65·5	69·3
Balance on current account	−43·9	186·8
D. Government Capital:		
Inflow	196·0	152·5
Outflow	25·1	23·0
Net government capital	170·9	129·5
E. Compensation payments (including interest)	−11·0	−50·8
F. Errors and omissions (including private and parastatal capital)	−30·7	−108·9
Balance on Ordinary Transactions	85·3	156·6
Redemption of E.A.C.B. currency	6·3	6·5
Gain on D. Mark revaluation	—	+0·3
Net Change in foreign exchange reserves	91·6	163·4

*Revised †Provisional.

Statistical Note:

(The 1969 provisional balance of payments accounts, particularly the transfer items, have been estimated on the basis of information processed from "tickets" completed by customers of the banking system. However since the ticket arrangement was only introduced in October 1969 projections on the basis of four months tickets available now, have had to be made to obtain annual figures. And therefore in the light of this, revisions have been made on 1968 figures.)

increase in invisible payments last year spread evenly over expenditure on transportation, education and investment income. Other expenses on travel abroad registed a decline of about 25 per cent from the 1968 figure reflecting the effect of the January 1969 restrictions on travel allowances.

The recording of merchandise adjustments, invisible and capital items in respect of the East African Community and its corporations are believed to be unsatisfactory. On capital account alone the Community and Corporations provide a net inflow to Tanzania, primarily because of their significant use of external finance, but on current account they result in a net outflow. While exact estimation of the effect of adjustments is not now possible it appears likely that they would reduce the net surplus on current account by over Shs. 30 million. This in turn would reduce the negative balance on errors, omnissions and private capital movements. The treatment of East African Airways external receipts and payments also appears to result in a somewhat artificial inflation of current invisible earnings and capital account deficit.

According to assessments based on tickets and revisions made to the 1968 figures, net transfers changed little between 1968 and 1969. It was felt that the 1968 published figures for Government receipts and parastatal and private transfers were grossly underestimated. In the absence of any reason why 1968 should have been a very different year from 1969 in respect of transfers, the provisional 1968 figures have been revised upwards to approximate the more accurate 1969 estimates.

The recorded Current Account balance therefore moved from a deficit of Shs. 44 million in 1968 to a surplus of Shs. 187 million.

On a net basis the central government received less capital from abroad last year than in 1968. The flow fell considerably while outpayments though small, were almost unchanged. Compensation payments resulting from the state takeovers since 1967 increased from Shs. 11 million in 1968 to Shs. 51 million last year. The change in the Errors and omissions figure in 1969 reflects largely the local refinancing of foreign loans and greater use of local finance to replace foreign credits particularly expensive suppliers' credits while its sign is affected by the statistical problems cited above.

The foreign exchange outlook for 1970 is not expected to be very different from the outturn in 1969. During the first four months of this year net official and commercial bank holdings of foreign exchange (excluding Shs. 31·4 million IMF Gold tranche position and Shs. 38·4 million of SDRs) rose by Shs. 70 million compared with an increase of Shs. 52 million in the corresponding period of last year. At the end of April 1970, total reserve holdings stood at Shs. 852 million, a level nearly equal to the value of six months imports.

Export earnings in 1970 are expected to be moderately above those of 1968. Meanwhile development expenditure is expected to rise rapidly causing higher intermediate and capital g ds import requirements. However, no large outpayments are expected in respect of food imports since prospects for the major food items are promising. Thus while exports should register another modest increase, imports are not expected to rise radically from their 1969 level. Therefore, the balance of trade for 1970 will probably again be in approximate balance.

6.—EMPLOYMENT, EARNINGS AND PRICES

Total recorded wage employment rose from 351,711 in 1968 by 9,882 or 2·8 per cent to reach 361,593, or about one-twelfth of the economically active labour force. The upward trend in employment since 1966 was continued and total employment was higher than in any year since 1963 and almost 8 per cent above the 1965 low of 336,497. About 31 per cent of employees were in the agricultural sector, 30 per cent in industry and 39 per cent in services. It is known that recorded wage employment is at least 20 per cent and probably 25 per cent below actual full-time paid employment as total coverage of the provident funds and pension funds exceeds 425,000. However, the trends and patterns of total wage and salary employment are believed to be accurately reflected in the present series.

Recategorization of returns in 1969 renders the sub-sectors non-comparable with previous years. In particular, a large number of employees previously listed under commerce have been reclassified under Agriculture. When account is taken of these changes it appears that agricultural employment remained approximately constant or declined slightly while

non-agricultural employment increased by about 5 per cent. The non-agricultural growth rate is still below that recorded in the years since 1964 and below the plan target of 7 per cent. The manufacturing and construction sectors maintained their previous strong growth trends but the growth in transport and services was, at least temporarily, halted and public utilities suffered an actual decline. Employment in commerce—after approximate adjustment for recategorization—was probably stagnant or slightly lower

It appears probable that employment growth outside agriculture will continue to be 5–10 per cent a year, averaging about 7 per cent, and that the decline in agriculture will continue although at a reduced rate. The emphasis on Ujamaa villages and the decline of sisal are likely to counterbalance the expected employment on parastatal ranches and sugar plantations.

The regional employment pattern continued to be significantly affected by construction and related activity along the route to Zambia, resulting in increased employment in the Dodoma, Singida and Iringa—Mbeya sub-zones. A sharprise in employment was recorded in the Lake area and there was an increase in the Tanga region for the first time since 1964 but employment continued to fall in the Arusha—Kilimanjaro regions. Rises were recorded in the Coast and Morogoro regions while the previously rapid growth in Dar es Salaam was halted and there was a slight fall in employment.

Total wage and salary bill (including the value of free Rations) rose by 3·3 per cent, while the number of employees rose by 2·8 per cent. The average earnings per employee rose by only 0·5 per cent but those of citizen employees rose by an average of 2·6 per cent. The difference is related to the continued replacement of expatriates by citizens in the higher level positions in the Government, public enterprises and private sector. The 0·5 per cent and 2·6 per cent increases are lower than those of previous years, continuing the 1967–68 trend following the institution of a national incomes policy with a 5 per cent maximum increase in average per capital wages and salaries. Average cash wages rose only in Agriculture and Services and fell in most other sectors. Almost three quarters of all adult male citizen employees earned over Shs. 150 per month in 1969. The percentage earning over Shs. 300 per month rose from 26·4 to 28·0 while those in the salary group Shs. 1,000 and over rose from 3·4 per cent to 3·8 per cent. The absolute growth in the latter group was 1,160, or 14 per cent reflecting the continued progress in the training of high-level citizen manpower.

During the year, retail prices and the cost of living rose only slightly, despite the introduction of a sales tax in June at the basic rate of 10 per cent on manufacture or import price. The average retail price index for Dar es Salaam minimum wage earners rose by less than 1 per cent i.e. from 114 to 115 per cent of the December, 1961, base level. The index for food items fell from 110 to 108, while the prices of non-food items increased by about 6 per cent of which two—thirds was accounted for by sales tax. The average cost of living index for middle—grade Dar es Salaam Civil Servants rose by under 2 per cent from 127·7 to 129·8 per cent of the September, 1963 base. This index may have somewhat understated actual cost of living rises for this group as the increase of under 1·5 per cent from June, 1967, to March, 1970, is less than that accounted for by sales tax. However, there has been no massive increase in prices and a 3—4 per cent increase appears to be the maximum reasonable estimate. For the minimum wage earners, who received a Shs. 20 per month statutory increase at the time of the Budget, income growth in 1969 was well above that of the cost of living. For the middle and upper income groups sales tax probably fully offset income growth in many cases.

7.—BANKING AND FINANCE

In 1969 the Tanzanian economy experienced a strong credit and monetary expansion. However, price stability was well maintained and the foreign trade deficit of 1968 extinguished while foreign exchange reserves rose significantly. These developments appear to have continued during the first five months of 1970.

Currency in circulation outside the banks and demand deposits rose by 16 per cent in 1969. Time deposits increased by 41 per cent and savings deposits rose by 10 per cent. Together the four components of money supply registered an increase of 20 per cent. This expansion in money supply was strongly influenced by increase in net foreign exchange, net claims on government and lending to the domestic sectors. The absence of serious inflationary pressure is explained by several factors; first, the expansion in lending to the domestic

sectors was largely a replacement of foreign financing. Second, the increase in money supply in 1969 was partly complemented by a build-up of foreign exchange abroad and was thus less than fully operative on demand; and third, long-term savings have been mobilized via commercial bank deposits thus giving a somewhat misleading view of the nature of the "money supply" increase.

Net foreign exchange holdings of the Bank of Tanzania including its IMF Gold Tranche position, rose in 1969 by Shs. 20 million to Shs. 562 million at the end of the year. By the end of March, 1970 they stood at Shs. 584 million which was more than the value of four months' imports. Increases in the Banks holdings of foreign exchange are likely to remain relatively small as greater use is made of local finance for development as public investment expands. Nevertheless, at least for the next three years, beginning 1970, Tanzania's official reserves are being bolstered by the allocation of Special Drawing Rights, of which Tanzania received Shs. 38·4 million in January, 1970. The foreign exchange holdings of the commercial banks showed the greatest increase in 1970. From Shs. 103 million at the end of 1968 they rose to Shs. 249 million at the end of last year and to Shs. 332 million at the end of first quarter of this year, an increase directly related to the explosive rise in export receipts from cloves. Consequently, the whole banking system held foreign exchange amounting to Shs. 916 million at the end of March this year.

The liquidity enjoyed by the commercial banks in 1968 and 1969 continues to be put into more practical uses. Thus commercial bank lending to the domestic sectors rose by 22 per cent in 1969. Lending expanded strongly to the manufacturing sector, trade sector, marketing boards, central government and agricultural co-operatives. With the support of the Bank of Tanzania, the National Bank of Commerce has continued its initiative in deliberately replacing certain expensive suppliers' credits by local finance. Some large foreign loans for industrial purposes have also been refinanced locally. Local finance has become of increasing importance in the trade sector as a whole partly because of higher interest rates abroad and also because of the import trade takeover by the State Trading Corporation.

There was also a large increase in commercial bank participation in Government financing in 1969. By the end of the year commercial banks had invested Shs. 143 million in government stocks, compared with Shs. 40 million at the end of 1968. At the same time, inter-bank lending continued with seasonal fund movements from the National Bank of Commerce to the National Co-operative Bank. This position was reversed towards the end of the first quarter of 1970 when the National Co-operative Bank was so liquid that it began to lend to the N.B.C. With more purchases of government stocks by the commercial banks, the Central Bank was confined to providing short-term finance to the government through purchases of Treasury Bills.

The Bank of Tanzania's gross income in 1968/69 amounted to Shs. 37 million of which Shs. 32·3 million represented earnings on foreign assets. After administration and depreciation expenses the Bank showed a net profit of Shs. 20·6 million compared with Shs. 14·8 million in the previous fiscal year. Out of the Shs. 20·6 million, Shs. 5·2 million were transferred to the Banks General Fund and Shs. 15·4 million was paid to the Consolidated Fund of the Government. Profits are expected to show a further substantial increase in 1969/70.

The conversion of East African Currency Board notes and coins in 1969 was Shs. 6·4 million compared to Shs. 6·3 million in 1968 and Shs. 49·0 million in 1967. Of the 1969 conversion, Shs. 5·8 million were coins and Shs. 0·6 million were notes. There was an increase in the flow of coins because of the announcement that they would cease to be legal tender in April. 1969. Although the currency issued by the East African Currency Board has ceased to be legal tender, the Central Bank continues to accept it in exchange for Tanzanian currency and the public has been urged to turn in its boardings before the old currency is demonetized and becomes worthless. The East African Currency Board has estimated that about £ E.A. 3,000,000 worth of its currency issued since 1919 has probably been irretrievably lost. This estimate enabled the Board to distribute an equivalent amount of its assets to the three East African Governments in December, 1969, of which Tanzania received about Shs. 20 million.

8.—FINANCIAL INSTITUTIONS

National Bank of Commerce

The National Bank of Commerce continued to extend its services into the rural areas. A new Sub-Branch was opened in Korogwe which also serves Lushoto, Mombo, Muheza and Handeni. A new static agency at Masasi will service Newala, Ndanda, Nachingwea and Litunguli while a mobile route from Songea will cater for the surrounding area. In line with the Banks nationalization policy, three duplicate urban branches were closed down during the year—two in Moshi and one in Tanga. The total number of branches is now 35. About 50 new rural sub-branches agencies and mobile facility scheduled stops have been inaugurated during the past two years. An extensive building programme is under way to replace the expensive rented premises which are now being used by many branches. Work has also begun on the building to house the planned National Institute of Banking which should begin to provide courses in 1971/72.

During the three years since nationalization, deposits of the N.B.C. have increased by 8 per cent per annum. In June, 1967, total deposits were Shs. 763 million and they had increased to Shs. 1,164 million by the end of 1969. Meanwhile, there was a significant change in the pattern of lending. Loans to foreign controlled firms dropped by 35 per cent between 1967 and 1969 while lending to parastatals increased by 300 per cent and loans to small industries and businesses went up by 114 per cent. The Bank has also contributed increasingly to the Government's development programme by investing in Government securities. Holdings of medium and long-term securities have increased from Shs. 10 million at nationalization to Shs. 150 million three years later.

The change in emphasis towards a lending policy geared to implementing Tanzanian development planning showed an urgent need for medium and long-term lending facilities. The Term Finance scheme, begun in 1968, was reformulated and expanded in August, 1969, with loans for periods up to ten years. The scheme has met a real need and over Shs. 100 million had been allocated by early 1970. A Development Credit Department has been established to implement the scheme, which will serve as the neucleus for a newTanzanian Development Bank to be inaugurated in the second half of 1970, to serve long-term productive sector investment financing needs.

The Bank has just announced its decision to support the establishment of district development and trading corporations and has set aside Shs. 9 million for this purpose. In addition to providing credit facilities, the Bank will also assist with advice on financial management and with personnel training. Committees are to be set up to advise the Bank on its business activities in the various zones and to effect further recentralization of decision—making on lending. The membership of these committees will be drawn from N.B.C. Zonal and Branch Managers, Regional Economic Secretaries and representatives of N.I.C., the Co-operative Union, Chambers of Commerce and other appropriate organizations and public sector institutions.

National Insurance Corporation

The National Insurance Corporation had 4809 life insurance policies outstanding at the end of 1968/69 with a total sum assured of Shs. 63·8 million as compared to 4,811 policies issued and Shs. 62·8 million assured in 1967/68. The management and the Board of Directors of the Corporation examined possible causes for this relatively stagnant state of business. Measures have now been introduced to promote renewed growth, including compulsory triennial investigations into the financial condition of the life assurance business of the Corporation and the allocation of up to 95 per cent of the surplus as bonuses to policy—holders. While comprehensive information is not yet available on the volume of general insurance business, a reasonable rate of increase is believed to have been recorded. Claims procedures, premium calculation principles and agents commissions were examined in detail and changes instituted to improve service to the public and lower costs. The Corporation moved into its permanent headquarters in early 1970. A comprehensive report on the organization and working of the N.I.C., which was commissioned by the Swedish International Development Authority, has now been received and consequent restructuring and consolidation is planned. Reinsurance policies of the Corporation have been examined and adjusted to ensure a minimum drain of foreign exchange. A proposal for the establishment of a regional re-insurance organization was discussed in detail in the periodic conferences of the Chairmen of National Insurance Companies of Zambia, Uganda, Kenya and Tanzania and its establishment in 1970 or 1971 is anticipated.

N.I.C.'s investment portfolio increased from Shs. 44 million on 31st March, 1969, to Shs. 65·9 million on 31st March, 1970. About 23 per cent, or Shs. 15·4 million, was in respect of life assurance business and the remainder Shs. 50·4 million, related to General Insurance business. Under the investment policy of the Coporation at least 50 per cent of the Life Funds and 10 per cent of the General Insurance Funds must be held in Government stocks.

The Corporation's Tanzanianization and staff training programme has been expanded. Ten senior staff pursued overseas courses while over eight staff attended courses provided in Dar es Salaam.

Tanganyika Development Finance Company

The Tanganyika Development Finance Co. Ltd. (T.D.F.L.) expanded its operations during 1969 with new committments of Shs. 11 million in seven different projects in the agricultural, industrial and tourism sectors of the economy raising total committments to Shs. 39·43 million. Total disbursements in 1969 amount to Shs. 7·24 million and Shs. 1 million was received by way of capital repayments. Profits earned during 1969 amounted to Shs. 1·09 million before taxation. Earnings in textile, hotel, watch and plastic industries more than offset losses incurred in plywood and paper projects. T.D.F.L.'s resources were augmented by a further call of Shs. 3 million on shareholders whose paid-up capital now amounts to Shs. 28 million shareholders have also agreed to increase their capital by Shs. 5 million each, thereby raising the authorized capital from Shs. 60 to Shs. 80 million.

National Provident Fund

National Provident Fund (N.P.F.) receipts grew from Shs. 48·6 million in 1967/68 to Shs. 49·5 million in 1968/69. Provisional results for 1969/70 show that, despite the larger membership, contributions were only Shs. 53 million, as against an expectation of Shs. 60 million. Members' balances totalled Shs. 165 million by mid-1969. Reserves stood at Shs. 13 million while interest credited to members' accounts had reached Shs. 7·2 million. The latter included interest of Shs. 5·3 million credited at 4½ per cent on members' outstanding balances for 1968/69.

The investment portfolio of N.P.F. on 30th June, 1969, stood at Shs. 182·4 million, made up of Shs. 174·6 million in government securities, Shs. 800,000 in Tanganyika Finance Company's 5 per cent preference shares and Shs. 7 million in a deposit account with the N.B.C. By the end of June, 1970 holdings of Government securities should be of the order of Shs. 235 million.

Early in 1970 steps were taken to streamline accounting procedures. It is intended to introduce new procedures from 1970/71, allowing more rapid posting of accounts and answers to members' queries.

Post Office Savings Bank

During 1969, the P.O.S.B. attracted 15,500 additional depositors and the level of deposits rose by Shs. 2·3 million, continuing the 1965–68 trend of rising deposit levels. The average balance was Shs. 154 in 1968 and Shs. 230 in 1960/62. Decentralization of the Savings Bank began with the establishment of the Tanzanian Head Office and the recruitment of staff in early 1970. The N.B.C. seconded two experienced staff for training in Nairobi headquarters and subsequent posting to the new Tanzanian headquarters.

Lotteries

National Lotteries continued to play a modest role in providing development finance. A profit of Shs. 700,000 was made during 1968/69 while the amount realized in 1969/70 to 20th April, 1970 was Shs. 500,000. Premium Bonds, which were first floated during 1968/69 yielded Shs. 2,216 million in development revenue during that year but only slightly over Shs. 200,000 in the first ten months of 1969/70.

Permanent Housing Finance Company

The Permanent Housing Finance Company of Tanzania (P.H.F.C.T.) completed its second full year of operation in 1969, during which its deposits reached a record level of Shs. 44·15 million and mortages and loans Rose to Shs. 24·1 million. By 31st March

970, total deposits had grown to Shs. 46·706 million while mortages and long-term loans ood at Shs. 26·811 million. However, with large overheads, a limited number of suitable orrowers and delay in agreeing on bulk project lending arrangements the Company incurred sses of Shs. 238·483 in 1969. With the distribution of large loans to the University College nd National Housing Corporation, it is expected to become profitable by the third quarter 1970.

ATIONAL CO-OPERATIVE AND DEVELOPMENT BANK

National Co-operative Bank advances totalled Shs. 31·2 million at the end of 1969. dvances granted during the year rose from Shs. 141 million in 1968 to Shs. 370 million in 969, of which crop financing amounted to Shs. 150 million. Total borrowing rose from hs. 232 million in 1968 to Shs. 496 million in 1969. A major area of expanded activity as the State Trading Corporation whose deposits amounted to Shs. 100 million and borro- ng to Shs. 75 million.

The National Development Credit Agency made further drawings on the Shs. 35 million D.A. credit and by the end of the year it had drawn Shs. 27·6 million, compared to Shs. ·2 million at the end of 1968. Total loans amounting to some Shs. 21·2 million were thorized to co-operative societies, individuals and private companies. This included a an of Shs. 16·8 million to co-operatives for annual crops (Shs. 14·7 million), agricultural achinery (Shs. 430,000) permanent crops (Shs. 940,000), tea factory (Shs. 202,000) and dowms (Shs. 120,000). Commercial and agricultural loans amounting to Shs. 4·1 million ere granted to individuals for motor vehicles (Shs. 0·2 million), milling machines (Shs. 26 million), machinery (Shs. 0·18 million), land purchase (Shs. 0·4 million), annual crops hs. 3 million) and cattle, fishing and farm buildings (Shs. 0·06 million). Private farming mpanies obtained credit amounting to Shs. 275,000.

It is anticipated that plans to reconstitute and expand N.D.C.A.'s activities as a Rural evelopment Bank will be completed early in fiscal 1970/71 and the Bank should begin erations later in 1970. Commercial banking activities will also be rationalized with esent co-operative Bank commercial banking business absorbed by the N.B.C.

9.—THE EAST AFRICAN COMMUNITY

It is now two and a half years since the Treaty for East African Co-operation came into ce. In the course of this period most of the new and revised organs and institutional chinery of the community have come into being, and the relocation of the East African rbours Corporation and Posts and Telecommunications Headquarters has been largely rried out. Frequent meetings of the several councils and related committees have taken ce, and the staff of the Secretariat in Arusha has been strengthened, especially in the nning field, over the past year.

The *Common Market Council* has discussed the various remaining restrictions on the w of trade within East Africa. It has agreed upon principles of single-channel marketing be adopted by national trading corporations and a set of rules for the implementation of se principles is in preparation. Second, in spite of the practical difficulties being ountered in the implementation of rules of origin, the Council has agreed to the removal all forms of quantitative restrictions on goods eligible for unrestricted movements within Common Market, subject to the outcome of a detailed investigation on ways and means of uring effective implementation of rules of origin. The Council has authorized the ointment of a Working Party on the Harmonization of Fiscal Incentives, while a study the purchasing policy of the East African Community and its Corporations is nearing npletion. The Council has also examined a number of cases of alleged misapplications Treaty provisions relating to the transfer tax. Most have been settled but a few are to be sidered by the Common market Tribunal—which is still to be fully constituted.

The *Economic Consultative and Planning Council* has approved a work programme for the retariat, submitted to it by the Committee of East African Planners comprising senior nning officials of the partner states. This programme is a promising move towards e integrated East African planning, and places a heavy burden on the secretariat. It udes formulation of a long-term plan for General Fund Services, and sectoral planning grammes for tourism, transport and communications, industry, statistics, and trade and nce of payments. The long-term Plan for General Fund Services, like the long-term

planning of Corporations, is an obligatory provision of the Treaty, while the study of sectoral planning and assembling statistical data are aimed at assisting partner states in their national planning and facilitating harmonization and complementarity in their development strategies. The manpower implications of the exercise are formidable, and a scheme of recruitment together with training through practical experience and seminars on development planning has been adopted. An important and welcome aspect of the consultative planning process now being examined by the Secretariat concerns the planning of multi-national industries for East Africa. Detailed work on an inventory of existing industries in East Africa is proceeding.

The Finance, Communications, and Research, and Social Councils have also met frequently, and have been concerned in part with Finance and administration of the several East African Corporations. The programmes of these Corporations are discussed in the chapter on transport and Communications, below.

10.—REVIEW OF THE INTERNATIONAL ECONOMIC SITUATION

(a) Trade

Tanzania's economy is very open with Imports and Exports each nearly 25 per cent of the Gross Domestic Product: thus developments in the international economy are critical to the health of the domestic economy. The year 1969 was a mixed one for developing countries. On the one hand, buoyant economic activity in the industrialized countries provided an opportunity for substantial growth in many countries' export earnings. On the other hand, the balance of payment problems of the important sources of resource transfers and serious international monetary difficulties led to a lower priority being given to the needs of the developing countries.

In Western Europe, North America and Japan the growth in real ouput slowed to 5 per cent from 6 per cent the previous year. These countries take over 50 per cent of Tanzania's exports and supply 70 per cent of the imports so their economic performance is of particular importance. There was a further acceleration in general price rises in 1969, in which all major countries shared—prices rose by 5–6 per cent in West Europe, America and Japan. A slowing down of the rate seems in prospect for most countries but the general price rise in 1970 is likely to remain well above average.

World exports increased from $212·9 billion in 1968 to $242·8 billion in 1969, an increase of 14 per cent. Those of the developed countries increased by 15 per cent, while those of the developing increased only by 9 per cent. Thus the share of the developing countries in world exports fell from 20·4 per cent to 19·5 per cent. This declining share of the developing countries is one of the most constant features in the development of world trade during the post-war period. During 1969, primary product export prices probably rose at about the same rate as those for manufactures but this did not hold for all products and it seems unlikely to continue in 1970.

Policies in most capitalist industrial economies are directed towards disinflation, thus a year of below average growth seems likely in 1970 and international trade is expected to grow less rapidly.

Major Commodities

It has been another disappointing year for the sisal industry, of which Tanzania produces one third of world output. The 1969 quotas were exceeded by about 3 per cent while consumption showed a decline of 7 per cent. The excess supply led to reduced prices, those for Tanzanian sisal remaining at the F.A.O. Agreement minimum level. Meetings of the F.A.O. Conference on Hard Fibres were held in January and June, 1970, but no agreement was reached on a reduction in quotas. Minimum prices and price differentials remained unchanged but price cutting sparked off by Kenyan exporters led to a collapse in prices which, at one point, fell 20 per cent below the agreed minimum.

It was an eventful year for the coffee world due to the serious frosts in Brazil, which accounts for one—half of world production and one—third of world exports. For the fourth successive year world production remained below world consumption and this situation will certainly continue in 1970/71, when the frosts have their full effect, and probably through 1972/73. The downward trend in coffee prices was reversed as the probable consequence

of the frosts in Brazil became generally realized. The upward trend was strengthened by the restrictive export quotas for 1969/70 and prices for all coffees rose sharply. This resulted in increased export quotas and, if maintained, will result in yet further increases. Thus the 4 per cent fall in export unit value of coffee recorded in 1969 will be more than reversed in 1970 and recovery to at least the 15 per cent higher 1965–66 levels appears likely.

Discussions on a possible international tea agreement continued through 1969. However, importing and exporting countries were unable to agree on whether the market situation was critical enough to require the conclusion of a formal agreement. Exporting countries sought to negotiate among themselves an informal scheme to be brought into effect in 1970. The East African countries have taken a position against the introduction of quotas on exports of tea. Tanzania especially has viewed the proposals as likely to hinder expansion of low-cost East African output.

The International Sugar Agreement, negotiated under the auspices of the United Nations Conference on Trade and Development (UNCTAD), came into force for a period of 5 years from 1st January, 1969. It relies primarily on variable export quotas to maintain sugar prices within an agreed range but it covers only about one—eight of world production. Last year was characterized by low but erratically rising prices with 1970 levels expected to be somewhat higher.

Since 1967 the world has been seriously short of copra as a result of bad weather conditions in the Philippines, which produces 44 per cent of total output. Tanzania is now entering many markets once monopolized by the Philippines and in 1970 there should be an acceleration in exports at attractive prices.

Clove prices continued to rise in 1969, due to a crop failure in Malagasy and a low crop in Zanzibar. Increased world production of cotton led to a sharp fall in prices, which were 17 per cent lower in the second half of the year than in the corresponding period of 1968. Meanwhile, there was a modest rise in the export prices of cashewnuts.

Trade Preferences

Negotiations are currently proceeding within UNCTAD on the implementation of a system of general non-reciprocal and discriminatory preferences to exports of industrial products from the developing countries. The developed countries are now trying to co-ordinate their individual proposals but the prospects for early agreement on a joint approach are not bright. E.E.C. members propose quota ceilings on concessions while the U.S.A. proposes the exclusion of textiles, clothing and shoes but rejects quotas on other manufactures. Both exclude processed agricultural commodities. Early in 1970, the U.S.A. proposed that industrial countries should implement their divergent proposals jointly but indicated that it would exclude E.E.C. Associates and some Commonwealth preference beneficiaries from the application of its preferences. Thus the U.S.A. preferences would be completely nullified so far as East Africa is concerned once the Arusha Convention with the E.E.C. comes into force.

The introduction of general preferences would represent the first step in effecting a fundamental change in the structure of international trade. Without this it would be irrational to expect any rapid improvement in the position of the developing countries in the World Economy.

(b) Aid

O.E.C.D.'s Development Assistance Committee has recommended that member Government should ease the financial terms on which they give development assistance. The previous recommended average terms were a maturity of 25 years, a grace period of 7 years and an interest rate of 3, per cent while the new terms are as soft as those recommended by the UNCTAD II Conference in New Delhi i.e. 30 years maturity, 8 years grace period and an interest rate of 2·5 per cent. These loans are calculated to have a grant element of 61 per cent or more using a 10 per cent discount rate. There had been some deterioration in the average terms of official assistance since 1964, largely as a result of the changing structure of official aid. The volume of resource transfers provided by countries with relatively harder terms (Italy, Japan and Germany) increased while that of relatively soft donors (the U.S.A., France and the U.K.) remained stagnant or declined. Also, in 1969, the U.S.A., Germany and Canada announced significant, though not major, relaxations in their rules tieing their aid. However, although it was another year of rapid growth for the industrial economies, the net flow of capital to developing countries did not increase in step with this growth.

U.N. Development Decade

The decade of the 1960's was proclaimed the "UN Development Decade" by the General Assembly in December, 1961. The basic target was to attain a minimum rate of economic growth of 5 per cent for the developing countries as a group by the close of the decade. In order to achieve this goal the General Assembly recommended that the developed countries should make available financial resources equal to at least 1 per cent of their combined G.N.P. to the less developed countries. Neither the 5 per cent growth target nor the 1 per cent aid target was achieved.

Available statistical data (1960–67) indicate that the average annual rate of growth for the developing countries as a whole was 4·7 per cent. If the oil—producing countries are excluded the economic performance of the rest of the development countries is even poorer. For Africa the growth rate of 3·2 per cent per annum was even lower than the rate achieved in the 1950's. With the population of the developing countries as a group increasing by 2·5 per cent annually, their per capital income growth has averaged only 2·2 per cent. For Africa, Latin America and Southern Asia the average per capital income growth was even lower, being about 1·5 per cent on average while for Africa it was as low as 0·8 per cent. Tanzania recorded a rate of growth of per capita income of about 1·5 per cent a year during the decade.

The resource transfers from the developed countries fell far short of the 1 per cent target even though these countries achieved very rapid rates of growth in their income and trade. The level of resource transfers as a percentage of the combined G.N.P. of the developed countries declined from 0·89 per cent in 1960 to 0·77 per cent in 1968. Thus the 4·7 per cent growth rate experienced by the developing countries was achieved largely through their own efforts and resources. Internal sources provided 85 per cent of the resources required for their investment programmes while cumulative terms of trade losses exceeded net foreign resource inflows.

The U.N. General Assembly has initiated preparatory work on a strategy for the Second Development Decade. A 54—member Preparatory Committee was established in December 1968, and instructed to draw up a development strategy which would enunciate both general and sectoral goals and objectives for the 1970's.

(c) International Institutions

United Nations Capacity Study

In July, 1968, Sir Robert Jackson was commissioned to review the capacity of the U.N. operational system to undertake an effective programme of Technical co-operation and pre-investment activities for the developing countries, firstly, at the present level of resources and, secondly, if the resources are doubled over the next five years. The Commissioner's Report was published in December, 1969. It exposes in considerable detail the inadequacies of the system that has evolved over the years as the U.N. specialized agencies were drawn deeper into operational development activities, tasks for which they were not originally designed.

The need for stronger control over the entire U.N. operation is clearly recognized. Previously, lack of effective co-ordination has caused delays in execution, failures in follow-up action, wasteful duplication and a heavy sectoral bias. The study recommends measures aimed at the streamlining, simplification and centralization of the organizational structures of the U.N. Development system at headquarters, regional and country levels. This is to ensure that all activities and policies are properly co-ordinated and related to the development needs, objectives and potential of each country and form an integral part of its national plan. Far-reaching reforms of the UNDP itself are also recommended to enable it to play an effective role as a central co-ordinating authority. Within this framework, the study stresses a new country-centred approach which would require greater decentralization of the actual operational activities in favour of a Resident Representative working closely with the Host Government.

The detailed recommendations of the capacity study are being studied by member countries, the Governing Council of the UNDP and ECOSOC and will be submitted to the U.N. General Assembly later this year for adoption. Tanzania has strongly supported the basic proposals of the study but believes that clearer control is necessary to ensure their implementation. Also, a new UNDP executive body, having the majority of its members drawn from developing countries, is essential if the aims envisaged in the study are to be achieved.

WORLD BANK

The world Bank and its affiliates, the International Development Association (IDA) and International Finance Corporation (IFC) experienced a year of spectacular expansion hier banking activities. New loans, credits and investments rose from $1,003 million in 7/68 to $1,877 million in 1968/69. The Bank borrowed the bulk of the funds required its lending programmes through bond issues on the international capital markets. The ng cost of these borrowings resulted in the decision to raise the Bank's lending rate from er cent to 7 per cent as of August 1st, 1969.

The lending operations of IDA, the soft loan wing of the Bank, were restricted for some by shortages of funds due to delays in effecting the second general replenishment of Association's resources. Discussion relating to the scale and terms of the Third lenishment, due in July, 1971, have commenced. It is hoped that the annual amount will ncreased from the present level of $ 400 million to at least $1 billion with a target of 500 million a year by 1975. During the year, the Bank agreed to lend an additional $100 ion to the IFC, thus bringing to $200 million the amount of funds which it has made ilable to the Corporation to use in its lending operations.

During 1969, Tanzania participated in negotiations with the World Bank resulting in or loans for the East African Harbours, Railways and Posts and Telecommunications rporations. In addition, negotiations were continued in respect of Bank/IDA lending to nzania in support of secondary education, highways, electricity and agricultural credit with cial reference to tobacco. Current IDA/Bank loans are being utilized in highway and der road construction, NDCA agricultural credit provision, NAFCO/NACO ranching elopment and TANESCO power production and distribution expansion. At present, Tanzania Tourist Corporation is negotiating for IFC participation in the funding of a el/lodge chain it will develop jointly with IPS and other private investors.

The East African Consultative Group on aid held its first country meeting in respect of nzania in Geneva in March, 1970. The basic documents were the Second Five-Year Plan the report analysing it by the 1969 Bank appraisal mission. The Bank and the ticipating industrial economies generally viewed the goals, policies and overall investment gramme of the plan as realistic and sound. The meeting was seen by participants as a uable opportunity to exchange views and initiate discussions towards strengthening and ending programmes of resource transfers.

RSON REPORT

The Pearson Commission was set up by the World Bank in 1968 as an independent nd Assize on aid, under the Chairmanship of the former Canadian Prime Minister, ter Pearson. It was instructed to review the impact of external assistance on the develop- countries in the post-war period and to consider methods of giving aid and the orders of gnitude for that aid during the 1970's and over the next generation. The Report of the mmission, "Partners in Development," published in October, 1969, proposes various edies aimed at ensuring real economic growth averaging 6 per cent yearly during the 0's and self-sustaining growth by the close of the century.

The most important measures recommended by the Commission for full implementation 1975 include: increasing Government aid from under 4/10th of 1 per cent of G.N.P. in 8 to 7/10th of 1 per cent by 1975; channelling 20 per cent of aid thorough multilateral itutions, as against present 10 per cent; making aid committments for a least three years time and progressively untieing aid both as to procurement and projects; and trade libera- tion by the rich countries both to give the less developed ones a rising share of the market agricultural products and to allow a growing range of manufactured goods exports to ustrial economies. Some of the Commisson's recommendations are more doubtful- ign private investment, for instance, should clearly be evaluated on a strictly cost-benefit s not welcomed as broadly and uncritically as the Commission suggests.

While the Report adds little substantively to UNCTAD proposals it does provide a ument aimed at convincing Western industrial economies to take certain steps which ld halt deterioration of the world economic system as it affects developing economies. response of most western industrial economy governments—though not that of the United es—has been positive to date but actual results will not be subject to evaluation for several rs.

ECONOMIC COMMISSION FOR AFRICA

The streamlined institutional machinery of the Economic Commission for Africa was put into operation during 1969. The Executive Committee met twice in Addis Ababa during the year while the Technical Committee of Experts met in February, 1970, and the Conference of Ministers is to meet in Tunisia in February, 1971. Closer formal links have also been established between the ECA, the Organization of African Unity (O.A.U.) and the African Development Bank to ensure that political support is forthcoming for the activities of the Commission and that its pre-investment activities are linked to the regional level sources of investment funds.

(d) INTERNATIONAL MONETARY SITUATION

Major developments in the international currency field during 1969 included the devaluation of the French franc and the upward revaluation of the German Mark. Following these two parity changes and the activation of the Special Drawing Rights Scheme, the international monetary system appears to have entered a period of relative stability in contrast to the recurrent currency crises over the period of 1967–69. The U.K.'s progress to a substantial payments surplus position by mid-1969 has increased confindence in sterling while that in the U.S. dollar has so far survived continued inflation, the extension of the war in South-East Asia and a sharply deteriorating overall payments position. Among other major currencies, the Italian lire seems well able to withstand short-term speculative pressures while the Japanes Yen is increasingly clearly a prime candidate for upward revaluation.

In September, 1967, the International Monetary Fund meeting in Rio de Janeiro approved in principle the creation of special drawing rights (S.D.R.'s) as a mechanism for controlled creation of additional international liquidity. The scheme involved amendments to the I.M.F. Articles of Agreement which were ratified in 1969 and the Scheme was activated in January, 1970. The S.D.R. system involves automatic I.M.F. credit lines which can be used as reserves to meet balance of payments requirements. The initial issue will be $9·5 billion over a basic period of three years—$3·5 billion have been allocated as of January, 1970 and $3 billion will be allocated in 1971 and again in 1972. The drawing rights were allocated to participating countries in proportion to existing quotas thus the developing countries received only 29 per cent of the total.

It has been argued since the mid-1960's that an organic link should be established between the S.D.R. scheme and the availability of development finance. Specifically, it was proposed that some of the S.D.R.'s should either be allocated to multilateral development institutions such as I.D.A., U.N.D.P. and regional development banks or else a proportion of national quota allocations should be related to finance provided to these bodies. Unfortunately, these proposals were viewed as too radical in international financial circles. A voluntary scheme for an industrial economy club *de facto* providing resources to I.D.A. and U.N.D.P. parallel to S.D.R. receipts has now been proposed but it is clearly much less satisfactory than an automatic link.

The Fifth Quinquennial Review of the Fund's quotas took place in 1969. The allocation of new quotas has a significant impact because of the links between increased quotas and increased access to the liquid resources of the fund and to voting power. Total I.M.F. Quotas are to rise from $21·3 billion to $28·9 billion in November, 1970, and the top industiral countries will receive just under 35 per cent of the total quota rise. Tanzania's quota is to go up from $32 billion to $42 billion.

11.—OUTLOOK FOR 1970

Prospects for 1970 appear favourable. With better weather conditions than in any of the past three years a 6 per cent or greater increase in output appears likely in the primary sector. Combined with continued 10 per cent growth in the secondary sector and a recovery to 7·5 per cent in the tertiary sector this would lead to a 7 per cent rate of growth in constant price output for 1970 over 1969, or slightly above the Plan goal of 6·7 per cent.

Foreign trade is likely to remain in near balance with moderate increases of 5–7 per cent in both exports and imports although possibly somewhat higher for the latter. The favourable balance on invisible transactions and substantial public sector capital inflows can also be expected to continue. While sisal export prices continue to decline, cotton prices have become firmer, cashewnuts continue strong and coffee prices have risen.

Internal price stability has continued during the first half of 1970 and, with the continued effectiveness of the incomes policy and avoidance of inflationary financing of the central government budget, can be expected to persist. Public sector revenue has demonstrated significant buoyancy in recent years as has mobilization of savings for public sector use and both trends are continuing strongly in 1970, as is clear from the forecast of resource mobilization in Part IV below.

The completion of the initial phases of re-organization and rationalization of much of the parastatal sector is expected to begin to contribute to its efficiency, output and investment capabilities during 1970. However, private investment may remain stagnant so that the growth of investment in 1970 will be determined largely by public sector performance during the second half of 1969/70, and by the 1970/71 Central Government and parastatal investment budgets.

PART II.—DEVELOPMENT BY SECTOR

1. THE RURAL SECTOR

(A)—OVERALL TRENDS

(a) Summary of Performance

Though agriculture's proportional contribution to gross domestic production is steadily declining as planned, it continues to play a very substantial role in Tanzania's economy as shown in the following table:

CONTRIBUTION OF AGRICULTURE TO GDP

(Million shillings)

	1966	1967	1968	1969	Percentage change 1968/69
Agriculture, Hunting, Forestry and Fishing	2,855	2,855	2,973	3,094	+ 4·1
G.D.P. at Factor Cost	6,592	6,883	7,398	7,819	+ 5·7
Percent	44·8	41·5	40·2	39·5	

Production levels of export crops generally in 1969 showed a marked improvement over 1968 though 1968 is a poor year for comparisons as excessive rainfall and flooding damaged the crops considerably that year. Prices were relatively stable in all crops except coffee and tea which saw a moderate decline. Cashewnut prices and to a lesser extent sisal prices firmed during the year.

Though sisal production was higher in 1969 than in 1968, the trend has definitely been downward over the past four years. Cotton production has been maintained at a level equivalent to the average past three years' production and is expected to be substantially higher this year if present favourable weather conditions prevail. Coffee production has not shown a significant trend in the last four years. Rising prices in cashewnuts and considerable government promotion of this product has obviously had an impact on production. Cashewnut production has trebled since 1960/62. This crop is in a very healthy position and is expected to continue being so in the years to come. Sugar production has also increased beyond expectations and is in a healthy state. Tobacco production has been rising substantially and with prices remaining at a constant level, prospects are good for a continued healthy position. Production of pyrethrum flowers on the other hand has been declining constantly since 1967; results have been disappointing. Wheat production however, has been most disappointing in that the 1969 crop has barely maintained the level of the last four years but the situation for 1970 shows signs of improving.

Diversification plans for sisal estates are going ahead and as little prospect is held out for price improvement, more vigorous action in transforming sisal estates into livestock and other crop production is required.

Disease and weather factors continue to plague the livestock industry, annual off-take continues to be too low and further efforts are being made to correct the situation. Investments are being made in dips to reduce the incidence of Coast Fever and in bush clearing to check tsetse infestation. Livestock multiplication Units are being developed to improve livestock breeds.

Government reorganization in the Ministry of Agriculture has meant a considerable decentralization of decision making to the regions and a better co-ordination of the rural development effort. Extension staff are advising farmers particularly through the Ujamaa Village framework on crop priorities better methods of crop production and co-ordination of production activity through the establishment of production oriented co-operatives.

CROP HUSBANDRY SUMMARY

Marketed Quantities

Table 32 ('000 tons)

Principal Cash crops	1960–62 Average	1966	1967	1968	1969*	Growth Rate	
						1968/69	2nd five year Plan Target
Sisal	205·6	221·5	216·6	193·8	206·0	+ 6·3	— 2·0
Lint Cotton	34·0	77·6	69·7	50·7	69·6	+ 37·8	+ 9·0
Clean Coffee	24·0	51·3	39·5	50·7	45·4	- 10·8	+ 6·0
Cashew-nuts	45·8	82·0	75·3	115·2	122·9	45.4	-10·5
Sugar	32·2	69·9	70·6	81·1	90·6	+ 11·6	+ 7·0
Tea	4·1	6·7	7·0	7·8	8·6	+ 10·8	+ 9·0
Tobacco (Flue-cured)	2·2	3·5	4·5	5·0	8·0	+ 59·3	+ 25·0
Tobacco (Fire-cured)		1·5	3·1	2·1	3·5	+ 62·5	+ 6·0
Pyrethrum Flowers	1·7	4·4	6·6	4·7	3·7	- 21·7	- 4·0
Wheat	11·5	32·8	28·6	23·8	29·4	+ 23·5	+ 16·0

Source.—Bureau of Statistics.

*Provisional.

Value of Marketed Quantities

Table 33 (million shillings

Principal Cash Crops	1960–62 Average	1966	1967	1968	1969*	Per-centage growth rate 1968/69
Sisal	285·3	255·6	206·9	156·8	185·2	+18·1
Cotton	114·0	236·8	212·7	157·7	225·0	+42·7
Coffee*	109·3	236·5	169·9	227·8	169·3	—25·7
Cashewnuts	26·5	67·1	53·3	91·9	116·1	+26·3
Sugar cane	..	32·0	30·6	34·7	38·6	+11·2
Tea	30·7	48·4	51·0	53·1	55·9	+ 5·3
Tobacco (Flue-cured)	10·6	16·5	24·0	26·3	41·8	+58·9
Tobacco (Fire-cured)	—	2·3	5·3	3·8	6·1	+60·5
Pyrethrum Flowers	7·9	23·7	34·0	18·8	14·4	—23·4
Wheat	6·1	18·9	14·2	13·1	16·2	+23·7

Source.—Bureau of Statistics.

*Provisional.

.. not available.

Note: Due to overall devision in the National Accounts series, the data for 1960–62 average can not be considered strictly comparable with those for 1966 and onwards.

The remaining two sections in this chapter discuss progress in Ujamaa Village and trends and problems in agricultural planning. Chapter II discusses the programmes for various key inputs, such as training, research, extension and credit, and also certain types of organized farming—i.e. the State Farms and the co-operative movement. Chapter III reviews progress in all the major agricultural sectors.

(b) Ujamaa Village Development

At the end of 1968 there were about 350 ujamaa villages. One year later the number of villages had risen to about 650, with a combined population of about 300,000 and by the middle of 1970 it is estimated that there are about 1,000 ujamaa villages. About half of these are in Mtwara, and the remainder are distributed between the other regions. As yet, less than five per cent of Tanzania's population lives in ujamaa villages, and most villages have been in existence for less than 18 months. The impact on total agricultural production has therefore been small except in the case of a few crops of rapidly growing importance—particularly tea and tobacco.

Only a small proportion of these villages—say about a tenth—have involved the opening up of entirely new areas for cultivation. However, many villages have involved fairly radical re-grouping of farmers within their existing areas of settlement. The areas where there has been most ujamaa activity have been those of fairly sparse cultivation—which are generally also among the areas of lowest percapita income but there has not been much ujamaa development involving nomadic pastoralists.

The growth in the number of village is, however, a poor indicator of the effort that has gone into the ujamaa village programme in the last year. Village vary enormously in size, from 50 to over 2,000 members. The degree of ujamaa varies from fully collectivized production of all crops in nucleated village settlements, to the simple introduction of ujamaa shambas in addition to individual plots in existing areas of settlement. In some cases, settlements have been converted to ujamaa villages, with very little movement of existing communities, whereas in other cases populations have moved quite long distances to open up new areas, for example, the settling in September, 1969 of 900 Wachagga in the Mwera Highlands of Mpanda District. This variety of experience is in line with the policies of "frontal approach" and "step-by-step transformation".

The real goal of the ujamaa village movement is to assist the people to achieve ujamaa by their own efforts, and the first steps towards ujamaa will vary according to situation of the group of people involved. The aim of the Government and of the Plan cannot, therefore, be a certain target number of ujamaa villages—indeed, fledgeling ujamaa villages have so little in common apart from a commitment to move further along the path to ujamaa living that it may be doubted whether it is either meaningful or useful to quote global figures.

The process of moving towards ujamaa has three phases: first the education and training of TANU and Government leaders in the ideology, purpose and methods of establishing Ujumaa Villages; second, the education of the people; and third, the provision of guidance and help on organizational problems, crop programmes, and provision of services, so as to prevent those who are committed to ujamaa from making costly and discouraging mistakes.

At present we can consider that all three phases are taking place simultaneously. The education of leaders and cadres in the principles of ujamaa is taking place in seminars, adult education, and refresher courses; the education of the peple in ujamaa has naturally lagged behind the education of the cadres who are destined to guide them, but efforts are also being made in this direction: and priority is being given to the fledgeling ujamaa, villages in the provision of technical advice—although in some fields, such as surveying of proposed village sites the demand far outsteps the administrative capacity to supply the service.

Progress Made in 1969/70

Education for Ujamaa.

TANU has a special division for Ujamaa Village development which has been very active in organizing seminars for Party and Government leaders in collaboration with Maendeleo. Seminars lasting 2–4 weeks, dealing with broader aspects of the idealogy and organization of Ujamaa were held in Handeni, Sumbawanga, Kasulu, Mbulu, Same Masasi Mwutunguru (Ukerewe), Musoma and Dar es Salaam. They will continue in the coming year until all Government and Party officials have been covered. The co-operative movement has a similar programme of seminars for officials.

Existing Farmers' Training Centres and Rural Training Centres are to be amalgamated and converted to Muiti-purpose Training Centres to train cadres for work in ujamaa villages. The new centres, which will give both an ideological and practical education, will become the responsibility of Maendeleo. Final details of these changes have not yet been settled. Thirteen political cadres trained by TANU's Ujamaa Village division have been transferred to Maendeleo, and are already working at the village level, and a further ten are being trained.

In early 1970 a four-month crash course at Kivukoni College trained sixty new District Officers for Adult Education—one for each district—who had been selected from the teaching profession. A very large part of their course consisted of political education in ujamaa principles. Their task will be to organize and co-ordinate adult education in their districts and assist in the preparation of material. This should improve the effectiveness of training for ujamaa at the grass-roots level.

New Kilimo field staff are receiving instruction in Ujamaa principles, and existing staff are receiving similar instruction during their bi-annual refresher courses. District Training Centres in Handeni, Bukoba, Mtwara and other districts have organized one-or-two-day seminars in villages in their areas, and committee members from young ujamaa villages in Tanga, Bukoba and Kigoma have been taken round well established ujamaa villages.

The schools have a most important part to play in educating the people for ujamaa. Progress with school shambas has been very variable, but some have been extremely successful. This is a necessary condition for achieving their main aim—i.e. the development of socially constructive attitudes towards work on the land in those who enjoy the privilege of a formal education.

National service camps have attempted to run as self reliant units, and aim to prepare servicemen with the skills and attitudes appropriate to life in ujamaa villages. Another increasingly important part of National Service training is voluntary work in Ujamaa Villages.

Advisory Services.

Rural Development workers and agricultural extension staff are now being posted to ujamaa villages, rather than being based at district or divisional headquarters, although the continue to serve farmers in surrounding areas. Town Planning Division of Landsurvey has prepared model plans for Ujamaa Villages, which these officers can lay out on the spot. These officers can be used much more productively when living in a structured community than when they have to seek out individual farmers. They also attend committee meetings of the village, which provides a further opportunity for education and advice.

In early 1970 six planning teams were set up for work in the following regions: Mtwara, Coast, Tabora, Tanga, Mbeya and West Lake. Each team included a leader provide by TANU an agricultural officer, an economist, a co-operative officer, a land planner and a water engineer. They worked in selected Ujamaa Villages, helping to improve or prepare development programmes. On the basis of the land and human resources available as well as national crop priorities they helped to draw up crop programmes, to advise on other economic activities, to identify the need for inputs from outside the village and take steps to obtain these and generally to break bottlenecks to the development of the villages. These teams uncovered serious gaps in information about soils, choices between different crops, etc., which hindered their work.

In the light of their work, it has been decided to set up similar teams in all regions. However, such teams will no longer be centrally created and controlled. Instead, each region will be responsible for creating its own economic planning teams for ujamaa villages using expert officers already stationed in the region.

Provision of services to Ujamaa Villages.

An attempt has been made to give ujamaa villages priority in the provision of services such as health, education, communications, and rural water supplies. For most of these services ujamaa villages, like other programmes, have suffered from "under spending" in the first plan year. In the case of water development, however, the ujamaa villages were the chief beneficiaries of the work of the Water Development and Irrigation Division of Kilimo in providing rural water supplies, with the aid of the Swedish International Development Association. They also received the larger part of the Regional Development Fund (Shs. 1 million per region) and the Self-Help Fund.

The Rural Development Division of Maendeleo formed 4 new Mobile Field Units in 1969/70, bringing the total up to 21. Each unit consists of a Field Officer (Rural Development) and two Field Assistants—a carpenter and a mason—equipped with two vehicles, and the necessary tools and equipment. Though not specifically assigned to ujamaa villages, a large proportion of their work has beenan d will be concentrated on ujamaa villages.

Provision of at least a minimum of necessary inputs to new villages (physical, technical financial, etc.) will be the responsibility of Maendeleo in collaboration with Kilimo and other executive Ministries.

Provision of Funds for Ujamaa Villages

Ujamaa villages have received financial assistance from the Rural Development Funds and assistance in kind from the Self-Help Fund, and in the form of provision of services by Government. They have, however, experienced some difficulties in obtaining credit, because they did not fall into any of the three categories for which credit channels have been developed, namely co-operative primary societies, Agricultural Associations and individual farmers.

In future, ujamaa villages will be expected to develop through three stages with respect to supply of funds:

(i) A formative stage during which villages will require financial aid for activities of low economic viability, e.g. clearing bush, access road construction, purchase of initial equipment. At this stage it will be the responsibility of Maendeleo, in collaboration with Kilimo and other executive Ministries, to ensure that they obtain at least a minimum of necessary inputs. The Regional Development Funds should be another major source of assistance. Villages that are members of primary marketing co-operatives will also receive the same servicing facilities as individual members.

(ii) A second stage at which the village has learned how to live and work together, has a workable constitution, and has become economically viable. At this stage, villages will register as Agricultural Associatios, and obtain credit from the National Development Credit Agency (N.D.C.A.).

(iii) The final stage at which the ujamaa village becomes a full multi-purpose co-operative society, with adequate security to attract commercial credit-from, for example, the National Co-operative Bank—National Co-operative and Development Bank, National Bank of Commerce, Co-operative Unions, Marketing Boards and the National Agricultural Products Board.

The Co-operative Movement and Ujamaa

The ultimate aim of the ujamaa village programme is that the village should become a fully collectivized unit, i.e. a production and marketing co-operative. Most ujamaa villages are still along way from this level, but about 20 former village settlement schemes have reached the stage of registration as multi-purpose co-operative primary societies, and the aim is to steer other ujamaa villages toward the same goal. Former settlement schemes are naturally ahead of most other ujamaa villages in this respect, but an encouraging sign is that other ujamaa villages are beginning to apply for registration. Model by-laws have been drawn up for such societies.

It is not, however, necessary for an ujamaa village to be a registered multi-purpose co-operative society before it starts to play a part in, and benefit from the co-operative movement. As a first step, the ujamaa village *as a whole* may join an existing primary society to market its produce, and in this way will benefit from scale economies—e.g. in transport—that would not be available to individual members. Ujamaa villages will normally go through this stage before registering as co-operatives. It should eventually possible for some marketing co-operatives to be composed solely of groups of ujamaa villages.

The co-operative movement has fully recognized the importance of educating its cadres in the principles of ujamaa, and in the past year has organized four 15-day seminars at Nyegezi (Mwanza), Bukoba, Morogoro College and Moshi Co-operative College. These

e been attended by about 600 senior officers, ranging from Regional and District Co-rative Officers to Committee Members of the Co-operative Unions. For 1970/71 ilar seminars are planned for committee members, secretaries and inspectors of primary eties.

The Co-operative Development Division of Kilimo has also seconded one senior co-rative officer to each Regional Commissioner's Office with specific responsibility for naa villages.

earch

The need for study into problems of implementing the ujamaa village programme has n fully recognized and a special ujamaa Research and Evaluation Section has been set up Maendeleo. Its work so far has mainly been on the internal problems of establishment organization of ujamaa villages, and it is now able to lay down guidelines on such lems as the optimum size and layout of villages in different areas, systems of work nization and appropriate form of outside assistance.

The section is now embarking on detailed farm level studies of areas where there has n little development of ujamaa villages, so as to identify ways which ujamaa principles be applied there. Important research is also being carried on in University College, icularly by the Bureau of Resource Assessment and Land Use Planning (B.R.A.L.U.P.), Rural Development Research Committee, and the Economic Research Bureau.

SPECTS FOR 1970/71

In 1970/71, the education programme will start to touch a far greater number of peasants, increased attention will be paid to the development of programmes for individual ges. Responsibility for village planning will lie with the new regional ujamaa village ning teams, whose task will be to advise on crop priorities and production at the village and on other economic activities of the villages. It is believed that the use of local erts will increase the effectiveness of such teams.

t is anticipated that the establishment of new fledgeling ujamaa villages will continue east the present rate. Although this will ultimately lead to greater efficiency in the of services provided by Government, in the short run it will lead to considerable over ching of these services, because at least a minimum of advisory and material assistance t be given to each community as it is being formed. Provision of health services, cation, feeder roads, etc. will be at a faster rate than in 1969/70 but the assistance given to village may well decline on account of the rise in the number of villages. The policy roviding necessary initial assistance—without "spoonfeeding" will continue, and will ne responsibility of Maendeleo, in conjunction with Kilimo and other executive ministries.

The Rural Development Division of Maendeleo plans to increase the number of Mobile Units from 21 to 46 in 1970/71, with an ultimate target of 60 units—i.e. one per district. also planned to increase the number of Field Assistants to four per unit, by including a nber and a tinsmith. Ujamaa villages may be expected to be major beneficiaries ese changes.

he development of ujamaa vijiji provides opportunities for improving livestock mana-ent. Further consideration should be given to the development of grazing schemes, at villages in higher rainfall areas could fatten stock bred in low rainfall areas. An l scheme might be established in Morogoro Region, using immature stock from oma Region, purchased on credit from the N.D.C.A. This could utilize land formerly ed to sisal. Increased efforts will be made to spread the development of ujamaa i to these areas that have been relatively untouched so far i.e. the densely populated of small farming, and pastoral areas. In areas such as Dodoma Region, where cularly intensive efforts are being made, collectivization plans are being developed. a change in agricultural methods is the only way of getting rid of the famines that ar'y hit these areas.

he chief bottleneck to the development of ujamaa remains the shortage of leadership kills. The only solution to this is increased education, particularly adult education, ding a large element of political education relevant to ujamaa living. This appears to least as important as the provision of advice and material aid.

(c) Trends in Agricultural Planning

This is the dominant sector of the Tanzania economy, and also the one with the longest tradition of planning. There has now been an operational Planning Unit in KILIMO for the past four years, and units being set up in other Ministries draw heavily on the success of this one. During the preparation of Five-Year Plan all institutions and policies of the Ministry were examined carefully in a series of Working Party reports, and project preparation for the complex list of 200 projects in the Government sector and 65 projects in the parastatal sector was undertaken. In addition considerable effort was spent on the subject of crop priorities, with the aim of first deciding which crops should be developed for food and nutritional purpose at home and export earning abroad, with the intention if possible of programming credit and extension work all over the country so as to ensure that these crops were developed.

Project Preparation and Sectoral Planning

Despite the work that went into Plan, many projects still do not appear to have adequate plans of Operation which are of use to implementing officers. In common with other Ministries, some of the projects in Vol. II of the Plan are still strictly speaking only "ideas" and have yet to be worked out fully on paper. This is particularly true of projects in new parastatal organizations; NAFCO projects provide outstanding examples. Sectoral planning has taken some steps forward with the production of the new dairying project for the Northern Highland Areas (the "Arusha/Kilimanjaro Dairy Project"), a scheme for cotton development in the Lake Regions and with the writing up of the World Bank applications for tea and tobacco. Although work is under way, there still appear to be no comprehensive plans for livestock development as a whole, sisal and coffee diversification, oil-seeds development, horticulture or the production and distribution of hybrid seeds.

Integration of Volume I and Volume II of the Plan

Volume I contains a careful examination and restatement of policies; Volume II contains a long list of projects. It is unfortunate that these two were prepared quite independently, and that there was not time in the rush of editing the Plan to bring the two together. As a result there are certain policies in Vol. I which do not have projects in Vol. II. An example of this is horticulture, which has a lot of attention in Vol. I but only a very small project in Vol. II. Another example is research, where the existing research stations do not have any projects in the Plan at all for their development work. There is also a more services consequence of the lack of integration which is that there is no check that the Plan projects can be implemented with the available manpower and within the ceiling of recurrent expenditure set in the Plan. The KILIMO Planning Unit has just begun to examine these links and the preliminary conclusion is that it will be difficult to implement the Plan with the anticipated stock of manpower and that to pay the salaries and allowances of even this stock of manpower will be very difficult within the recurrent ceiling set by the Plan. This conclusion and its implications need to be backed up by more detailed studies.

Crop Priorities

Despite the time and effort put into this subject, it is clear that what has been done so far is seriously inadequate at all levels. Firstly at the farm level, due to the great lack of farm *management studies* very little is known about the return to the farmer or Ujamaa Village which tries to develop new crops. Groundnuts is a good example—we do not know what return a farmer growing this crop can expect in different parts of the country. And yet this is crop priority number one, two or three in 19 Districts.

Secondly at the District level very little is known about what yields the farmers are getting, and we do not know the acreages cultivated of different crops. The information we have is based on an agricultural census of 1950 and Regional Officers' estimates up or down since then (NB on this flimsy data also hangs the Tanzania estimates of subsistence income which make up approximately 40 per cent of National Income). Until more is known about the returns the farmers are getting, it will be difficult to adviser them what crops it will be most profitable to grow, and until it is known what methods are being used, it will be difficult to decide what sort of extension campaigns are needed to get farmers to use better methods. All these facts show an urgent need for more field work, and a comprehensive agricultural census.

Thirdly, at the National Level, many of the crop priorities in the Plan are overtaken by events. This indicates the need for constant vigilance on the marketing side, to spot these changes quickly and advise farmers accordingly.

In addition to this determination of priorities for emphasis by extension workers, it is ually important to ensure that the message the farmer receives via the price mechanism consitent with the chosen priority. Beyond this, production planning also requires more mprehensive analysis of likely lends of future demand. For some foods, livestock and ry products amongst them it appears fairly small increases in incomes, or declines in ces, may have a marked effect on demand and hence war.

ANNING THE RECURRENT BUDGET

In the past year, there have been substantial changes made to the format of the kilimo dget. These changes will prove extremely useful in that, as of the 1970/71 financial year, ill be possible to identify more exactly the amounts of money the Ministry spends on each ts different activities.

Use of vehicles and employment of daily paid or works staff will be identified by region l by activity within divisions of kilimo. Production Division state farms and Industrial rest activities will operate on a commercial accounting system and will produce profit and s figures at the end of each year. Research and training institutions will have a one—line e for recurrent expenditure and a revenue projection; this arrangement will allow them to their income to further their productive activities.

By providing one-line votes for each major activity of the Ministry, the regions have a re freedom to use their money to get on with the job. At headquarters, these detailed es will provide the necessary information to identify specially the progress on activities which money is spent. This will give the Kilimo budget a much stronger development entation than in the past.

B.—SERVICES AND PROGRAMMES

SEARCH

There were many problems in agricultural, forestry and fisheries research activities. e Budget allocation for some research votes were reduced by 25–30 per cent in 1969/70, e to reallocation of funds to training. This occurred despite increased responsibilities sing from taking over research institutes for forestry, fisheries and game, provision for ich was not made in the original estimates. Shortage of qualified personnel has become y serious. Research priorities are determined on an *ad hoc* basis and are frequently anged. Although there are bottlenecks in individual research stations, the starting point improving research programming may be to increase administrative efficiency and nning staff at Headquarters. The team at the moment is too small to work out a scientific earch system and offer central direction and arrangements for feedback. US—AID tea o appraise research capacity and activities.

Two new research centres are coming up. Buildings for Mtwara Research and Training titutes are almost ready, and the centre will be operational soon. In view of the backlog scientific crop research in the region, greater efforts should be made to fully staff existing -stations. Experts for the proposed Nordic Research and Training Centre (Mbeya) ve started working, but it will take some time before the centre is fully operation. pansion of existing institutes took place e.g. at Maruku, which is now being expanded to lude a training wing for farmers and primary school leavers. At Ilonga Institute, a rmers' Training Centre has already been completed. Plans are also underway to expand existing training wing at Mlingano Research and Training Institute.

AINING

Manpower for the agricultural sector was scarce at the beginning of the Plan, and the rtage will continue to be felt—particularly during the first three years of the Plan. ume IV of the Plan indicate a short fall of 1,271 at certificate level training by 1974, uming that 1,550 more staff are trained. Volume IV of the Plan gives the follow- picture:—

	Strength 1969/70	Addi-tional Required	Increase %	Rate per annum
loma level	523	787	450	20
tificate level	2,411	2,786	116	17

MINISTERIAL DIPLOMA AND CERTIFICATE STRENGTH AND TRAINING OUTPUT FIGURES (1969/70)

Table 34

Subject	Diploma				Certificate			
	Strength July, 69	Strength July, 70	Output 1969/70	Percentage increase	Strength July, 69	Strength July, 70	Output 1969/70	Percentage increase
				%				%
Agriculture	331	395	64	19	1,796	1,966	170	9·5
Veterinary	113	130	17	15	526	598	725	13·5
Forestry	47	59	12	26	303	325	22	7
Fisheries	14	26	12	86	112	132	20	18
Game	18	19	1	6	104	112	8	8
Co-operative	—	—	—	—	162	252	90	56

N.B.—Staff strength figures are approximate and are for comparative purposes only. They do not take account of promotional exercises carried out during the year.

n terms of student numbers, the Ministerial training programme registered a 25 per cent ncrease in student intake in 1969/70. Over 1968/69, excluding students for the 6 months rash programmes for tea and tobacco. In 1970/71, direct entry for forms IV and VI to iploma training will cease and be replaced by initial certificate training so as to produce more ractical and job-oriented Field Officers. Diploma courses in farm-management, animal usbandry, Land Planning, Crop husbandry, Home Economics, Nutrition and Poultry are anned for 1970/71. The new courses, in addition to existing diploma training facilities, ill more than compensate for the loss of facilities at Morogoro Agricultural College (now e Faculty of Agriculture) to which the final diploma students were was sent this year.

Steps are being taken to gear agricultural training to Ujamaa conditions. All stitutional training instructors and some AFO's from agricultural advisory service have ndergone six weeks Ujamaa Refresher courses involving technical ujamaa agricultural structions, ideology and attachment to TANU recognized ujamaa villages. Form IV and rtificate entrants to the Ministry are attached to Ujamaa Villages for 4 months as part their trainig.

armers' Education

There are now 14 Farmers Training Centres (F.T.C.s) in operation throughout the ountry, and 2 more are under construction in Sumbawanga and Singida. Only Buhemba nd Igabiro are non-government centres, but both co-operate closely with the agricultural aff. Plans for expansion aim at covering the major ecological zones of Tanzania. Existing uildings at Handeni, Morogoro Same, Nyegezi and Malya will be converted to training ntres. New Rural Training Centres will be constructed at Tunduru, Mpanda, Kondoa gara, Rufiji, Shinyanga Njombe and Geita during the coming year. Eleven of these ntres have residential facilities, and trained 6,406 farmers in 1969, of whom 600 were omen. During 1969, 288 courses were held, mostly 2 week course—compared to 192 urses in 1968. The rise is largely as a result of fewer long courses being given to form IV avers. Emphasis was on crop husbandry, use of animal draught equipment use of farm-rd manure and fertilizers, home economics and nutrition. Mahiwa and Igabiro are erating two-year youth courses, and Buhemba has completed all the buildings and is out to start offering youth courses. At the end of the second year, the youths are arded certificates and go to live in Ujamaa Villages.

Training was also conducted in District Rural Training Centres which have been and ll remain under Maendeleo. These centres are mainly to assist leaders to understand their sponsibilities and ways of carrying out programmes for village development. There are present 22 District Rural Training Centres in operation and 2 were completed in April, 70 in Mbeya and Mtwara. Future centres will take the form of Integrated Rural Training ntres. In 1969/70, Maendeleo conducted 388 courses attended by 13,795 leaders of various lds.

The aim is to offer longer training courses especially on Ujamaa Villages and in rural lls for a period of 6-12 weeks. Courses will be attended by Ujamaa Village group der, farmers and village level workers. Each Rural Training Centre will have a nucleous permanent trainers but the bulk of trainers will be drawn from District/Local experts. e training programme is under preparation by Maendeleo in co-operation with TANU, limo and other Ministries. A section in the Division of Rural Training will be created the headquarters to direct and co-ordinate the training programme.

GANIZATION

Kilimo's ox-training and mechanization programme got off to a slow start but by the l of the financial year it was beginning to achieve results. The Tanganyika Agricultural chinery Testing Unit (T.A.M.T.U.) at Arusha, recently handed over to Production ision, made 50 ox-carts and had 40 on order from farmers and institutions. Several es of cart are now available (e.g. steel wheels, pneumati wheels, one furrow, two furrow, h sides, low sides), and planters and three different types of harrows are also available. o experimental rural craft workshops will shortly be built at Urambo and Rwamkoma and se will become subtations of T.A.M.T.U. with the aim of producing ox-carts and other er tools and teaching farmers how to make them.

The Ubungo Farm Implements Co. Ltd., a subsidiary of N.D.C., has started production, l will produce some of the T.A.M.T.U. designs, concentrating on ploughs and jembes.

Ox-training is also well under way with 12 centres established in 1969/70 and 8 more planned for 1970/71. These have been very successful when the staff in charge were enthusiastic; but in some cases it was difficult to find staff who knew much about oxen. This situation is being rectified by the training courses for ox-trainees (including Ujamaa) which have already recruited 150 trainees at Kibaha and 90 for a course at Malya.

Agricultural Advisory Services

Agricultural advice is a major factor in assisting small scale farmers raise productivity. With a staff of about 4,700 for crop and livestock extension, the advisory staff strength is very thin, and the work is made more difficult as many farmers still live on scattered individual holdings. Ujamaa Villages will bring about a more efficient utilization of the services of the agricultural advisory staff.

Unfortunately until 1969/70 agricultural contact staff were being trained in basic principles of agriculture only and did not receive formal training in farm management/farm economics. Ujamaa villages have demanded more advice on the organization and planning of agricultural activities on their farms for which existing staff have little or no knowledge. The anomaly is being put right by incorporating farm management/farm economics courses into the Agricultural Training Syllabi for contact officers as from this year. Additionally, serving contact officers are gradually being given on-the-job traing courses on farm management; and this year alone over 100 Field Officers and Assistant Field Officers have left for overseas training.

It is planned to use the following criteria in the development of agricultural advisory staff:—

(a) Ujamaa villages—where crucrally important technical and economic support is required for the successful development and furtherance of Ujamaa Villages in agricultural activities;

(b) Commodities with high economic payoffs;

(c) Degree of priority allocated to crop(s) livestock;

(d) The existence or otherwise of institutions or facilities (e.g. Rural Training Centres) for training of farmers in their appropriate agricultural enterprises and the effectiveness of such institutions facilities.

(e) The degree of knowledge farmers already have in producing a particular commodity.

(f) Pursuant to the policy of Education for Self-reliance, agricultural advisory services will continue to be made available to assist in practical and theoretical training in schools.

(g) Backward areas will be given special emphasis.

Marketing Reorganization

Following the Presidential Committee of Inquiry report, into the Co-operative Movement and Marketing Boards, a study of marketing was undertaken by the Department of Agricultural Economics, Michigan State University under contract with the United States Agency for International Development. The draft report, "A Study of Agricultural Marketing in Tanzania: Research and Policy Proposals" was presented to the Government of Tanzania in September, 1969.

The report in essence proposes:

(1) "that a single organization be established to handle the marketing function of the nine existing boards and to become involved, as necessary, in other marketing activities . . . ";

(2) that "the A.M.C. (Agricultural Marketing Corporation) would be a separate entity with the usual characteristic of a business corporation";

(3) that "the Board of Directors of the A.M.C. should include a cross-section of representation including Principal Secretaries from the Ministries of Agriculture, Food and Co-operatives, Economic Affairs and Development Planning, Finance and Commerce and Industries . . . ";

(4) that "in the interest mainly of essential co-ordination of action . . . the A.M.C. should be structured along functional lines."

The report is under consideration by the government.

Co-operative Development

As at 1st January, 1970, there were 1,639 registered Co-operative Societies handling about 300,000 metric tons of produce annually and paying Shs. 570 million to farmers.

"Marketing Season Preparation Week" seminars are run to alert societies to make their orders and obtain crop finance in time. At these seminars, society officials are also informed of any changes in crop handling regulations. Under or over-grading is common in cashews, tobacco and copra, but these problems are being tackled through campaigns and provision of technical instruments. The storage problem does not stem from lack of funds alone, but also from the lack of adequate information on storage requirements especially at the society level. A survey of storage requirements at Union and Society level is planned. Also a research transportation and transportation and transport costs is now being conducted by the Research Unit of the Division.

Co-operative involvement in crop processing covers cotton ginning-which is almost completely in the hands of co-operatives, coffee pulperies and curing works, production and distribution of dairy products, honey refinery, cashewnut processing, and to a lesser extent in cotton oil and textile production. Although some Unions and Societies own flour mills, most flour mills in rural areas are privately owned and there is scope for widening co-operative enterprise in this area.

Efforts continue to be made to encourage the formation and development of production-orientated co-operatives. A few Unions and Societies have co-operative farms and ranches. There are 17 co-operative societies dealing in primary production of timber, of which 8 are in Mtwara Region; 5 fishing societies with plans to establish more around Dar es Salaam, Bagamoyo and along the shores of inland lakes and big dams as Ujamaa fishing villages. Bee-keeping is done on a co-operative basis around Tabora. There are a handful of societies in mining, and one in agricultural perishables.

Involvement of co-operatives in the development of ujamaa villages has been in the form of supplies of inputs, especially seed by some Unions and Societies to ujamaa villages. The Co-operative farms which have been initiated could later form a nucleus of future ujamaa villages. It is also intended that in future co-operative secretaries would provide technical assistance in the form of book-keeping and literacy services to ujamaa villages.

A good number of co-operatives are now involved in wholesale and retail trade. There are 17 Unions now dealing in wholesale distribution of basic foodstuffs, construction materials and some consumer durables. Some have partial and others full control of such merchandise, and the average turnover per Union is estimated at Shs. 2,500,000/- per month. Co-operatives in the following regions have or will have complete control of wholesale distribution in certain merchandise:—Arusha, Bukoba, Dodoma, Iringa, Kilimanjaro, Mara, Mbeya, Tabora, Shinyanga, Mtwara and Mwanza. The National Distributors Limited is the sole distributor of basic foodstuffs in the city of Dar es Salaam and Morogoro.

At retails level, there are 48 consumers' societies handling largely foodstuffs and beverages, with an estimated average turn-over of about Shs. 1,500/- per society per month. The most successful consumer's societies are found around Kilimanjaro area. Efforts are now underway to establish a number of consumer's shops in Dar es Salaam and Mbeya.

A most important determinant of the strength of the co-operative movement will increasingly be trained manpower. Because of lack of expertise, many co-operatives are now not in a position to add some important business fields to their work. The extension of the Co-operative College, Moshi, has just started slightly behind schedule, and construction work is expected to be completed by June, 1972. The Association of Certified and Corporate Accounts (ACCA) course began in 1968, and during 1969, 13 students of the Co-operative Division participated. An 18 month Diploma course in Management and Accountancy will start in January, 1971. In addition to formal training, in-service training and senior co-operative officers seminars were conducted.

State Farms

The Production Division of KILIMO, started early in 1969, began implementing its pioneering Plan projects of State Farms. Two of these, Rwamkoma in Mara Region and Milundikwa in Sumbawanga, both growing wheat, were taken over from the Village Settlement Division, and the rest have been started from scratch. In all there are at present under the Division 4 wheat farms, 1 rice farm, 3 cattle ranches, 3 dairy farms, 2 pig farms, the national chick hatchery, a vine project, an oil-palm project, a coconut project, and three farms specifically for the production of improved seeds.

Being new, all of these involved heavy investment in the first year of the Plan and 9,570,000/- was provided, of which it is now anticipated that about 8,000,000/- will be spent. Kilangali rice farm produced its first crop of rice and yielded 8 bags per acre, enough to enable the farm to break even in its first year, a very satisfactory result. The wheat farms were hit by a poor crop year and produced yields of only 1·5 bags per acre at Rwamkoma and 2 bags per acre at Milundikwa. This was disappointing especially as NAFCO's wheat farm at Basuto, Hanang District handled over from the Production Division in July 1969 only produced 3,750 bags from 5,000 acres planted to wheat. In a good year Basuto should produce much more (7 or 8 bags per acre), but it is now seriously questioned whether the Sumbawanga area is ever likely to produce consistant by 5 or 6 bags per acre in order to break even. If so it is unrealistic to expect these farms to be economic, even with the transport subsidy of 7/- per bag. Nevertheless , since Sumbawanga can play a role in the effort to make Tanzania self-sufficient in wheat, it is desirable to cantinue with those schemes.

Many problems in implementation were encountered, apart from the weather. The projects were in many cases planned in offices in Dar es Salaam without proper knowledge of the sites, and the estimates were often sketchy in the exteme, without feasibility studies. Not surprisingly many of the Plans of Operation have proved difficult to use in practice, and there was a danger that more staff and more equipment would be employed on the farms than they could afford to pay for economically. Great difficulty was experienced in getting machinery, seeds and fertilizers to the sites in time, largely due to administrative bottlenecks.

In the field there is an acute shortage of farm managers with any experience of large scale farming. The main effect of lack of experience in management is delay in reacting to minor problems as they arise on the farm, and in sorting them out quickly once they are noticed. This applies to the uses of fertilizers, policy with animals, maintenance of machinery (and improvisation of machinery where spares cannot be obtained quickly), and methods of avoiding loss of the crop to birds, animals or insects. These farms are all pioneering ventures none-the-less it is clear from one year's experience that they have a lot to learn in all these aspects.

State farm are expected to advice and offer servises to nearby ujamaa villages and other satellite farms. A start has been made in introducing innovations by providing improved seeds, and the older farms are providing services in the form of ploughing, land preparations, harrowing, irrigation water and fertilizers to neighbouring villages.

From July 1970 two more farms will be started, and the original ones will be further developed. The farms will move to a new system of trading accounts, so that in future profit and loss accounts will have to be produced and published at the end of each financial year. By the end of the year it is hoped that 7 of the farms will have made themselves self-supporting, and the new Division will be launched on firm foundations.

(c).—DEVELOPMENTS IN MAJOR AGRICULTURE SECTORS

(a) Livestock, Dairy and Poultry

During the Second Plan a determined effort is being made to develop the livestock sector, of which the commercial potential remains underdeveloped. This is indicated in the following figures which show that although the national beef cattle herd is thought to have been growing in size at an average rate of 4·4 per cent per year since 1965, off-take has been more or less constant, and percentage off-take has been falling:

	1965	1966	1967	1968
Total Herd Size ('000)	9,997	10,539	11,239	11,754
Official Sales[1]	257	284	251	237
Unofficial Sales[2]	734	832	751	762
Total Sales	992	1,116	1,002	999
Sales as per cent of National Herd ...	9·9%	10·5%	8·9%	8·5%

Although these figures are extremely rough there is no doubt that the success of disease control measures has led to a rapid rate of increase in the size of the national herd, but that this has been matched by a decline in the number of official sales. This apparent contradiction is probably due to the relatively low of level of prices offered at official markets in comparison to prices prevailing for sales "within the village" and across the borders of

ya and Uganda, reinforced by levies of various dues at official markets. The high level ocal rural demand reflects population increases and probably increasing consumption head: this was anticipated by the 1967 East African Livestock Survey which predicted by 1970 rural sales prices would be rising and that at current prices a reduction in the ber of stock available for export should be expected.

In 1969/70 this underlying trend has been reinforced by two factors: (a) the introduction ew veterinary regulations, in conjunction with an outbreak of SAT II Foot and Mouth ase, causing in 1969 a 23 per cent level of mortality and condemnations amongst stock chased for Tanganyika Packers Ltd., and (b) the transfer to responsibility for buying le away from private buyers to co-operatives and District Councils whose shortage of ds and inexperience have reduced the amount of stock purchased. The immediate ation facing the beef sector in mid 1970 is therefore difficult though its long term potential ains promising.

Figures for dairy production are similarly limited, but although smallholder develop- t in Arusha and Kilimanjaro Regions has been progressing, total milk imports remain at vel of about 37,000 gallons of fluid milk or milk equivalent per day, most of it in the form nilk products. Local milk production is expected to rise in 1970.

2 "official" sales are recorded sales at official markets "unofficial" sales are sales within the village and to private buyers away from official markets.

F CATTLE

Although it is likely that a considerable impact on off-take can be made by changes in the e structure and organization of markets, there will also be high returns to investment in proved management (both by government and traditional owners) and in disease control. e priorities defined in the Second Plan are as follows:

	Total ('000/-)	Per cent of Total
Primarily Extension:		
Livestock Multiplication Units and A.I. Centres ...	14,849	8·7
Disease Control	31,236	18·5
Tsetse Control (including Research)	9,215	5·5
Marketing (including Stock routes, holding grounds and abbatoirs)	22,762	13·5
Range Development (including Ranching Associations)	25,869	15·3
Research (excluding Tsetse)	4,880	2·8
Settlement Scheme...	3,532	2·0
	112,363	66·2
Primarily State Production:		
State Farms (mixed but including Beef cattle)	13,567	8·0
State Corporation Ranches (NACO & TSC)	43,590	25·7
	57,357	33·7
Total Investment ...	169,720	100·0

e marketing structure will be strengthened by the transfer of the control of markets from trict Councils to a new Marketing Division of the Veterinary Department of Kilimo, l by the development of new markets. This marketing division will itself act as a buyer l offer a floor price based on Tanganyika Packers' prices for low quality beef: this should y much reduce the number of cattle brought to markets for which the owner refuses sale esponse to a low price.

Strategy for the improvement of management techniques is concentrated in Ranching sociation in which groups of traditional cattle keepers obtain rights to use land, and in urn for investment in disease control and water supplies undertake to control stocking es and to manage range land more productively. The Plan established a target of the mation of 70 such Associations over the five year period: social, administrative and legal

problems experienced in developing the first year of this programme make it unlikely that the target will be met. However, the concentration of government and technical assistance resources in a smaller number of Associations is likely to ensure a sound base for development of the Association pattern in the long term.

Implementation of the dip building programme to reduce the incidence of East Coast Fever is on schedule and 130 new dips should be built by the end of 1969/70. Increased dipping (which will now be free) should significantly reduce calf mortality and increase weight gains and milk yields in ECF infested areas providing the dipping is carried out frequently enough. Nearly 9 per cent of government investment in beef production is devoted to the establishment of Livestock Multiplication Units or AI Centres, designed to improve the performance of the Tanzania short horn zebu by making improved bulls available. Development of this programme is on schedule. It is hoped that programmes of this type will be extended to Ujamaa Villages.

Dairy Cattle

National policy for the development of the dairy industry centres on State Production Schemes and the distribution of dairy stock to small holders. This is indicated in the following breakdown of investment over the period of the Second Plan:

	Total ('000/-)	Per cent of Total
(i) *Primarily Extension:*		
Dairy Cattle Importation and Livestock Multiplication Units	17,662 ...	40 0
Extension facilities incl. training, milk collection points, A.I. and servicing centres	7,259 ...	16 4
Marketing: Urban Milk Centres	2,000 ...	4 5
(ii) *Primarily State Production:*		
NACO AND TSC Farms	2,436 ...	5 5
State Farms (Kilimo Production Division)	9,539 ...	21 6
Kitulo Plateau (which will also supply dairy stock to local Ujamaa Villages co-operatives and smallholders)	5,181 ...	11 7
	44,078 ...	100 0

This pattern of development is designed to meet first the requirements for improved nutrition within rural communities, secondly to meet the demand for liquid milk within urban areas and thirdly to eliminate milk product imports.

The main constraints on the development of this programme are first the availability of good dairy stock, second the distances between the best dairy areas and the main centres of consumption, and third the availability of trained extension and production staff. The first of these contraints is being met by the establishment of Multiplication Units and Artificial Insemination centres designed to distribute cross bred heifers and upgraded local stock, the second by the establishment of both UHT (long life) milk plants and milk product plants, allowing milk to be transported over long distances, and the third by the establishment of a Dairy Training Institute. And This "package" approach is being developed in the two priority areas of North Mara and Kilimanjaro, Arusha and Tanga Regions. In both cases government will establish a net work of milk collection points some of which will also serve as AI and veterinary centres and from which milk will be taken to processing plants to meet the regional and later the national market. Breeding farms will make improved stock available to farmers, and, in the case of Kilimanjaro the programme is envisaged as providing a high level of alternative income to coffee since net income from one grade dairy caw is expected to exceed Shs. 1,000/- per year. These programmes have been defined since the Plan was launched and their implementation will raise the level of investment in dairying anticipated during the five year period. It is intended to develop a similar package approach for Mbeya–Tukuyu (based on the Kitulo scheme), Bukoba and Morogoro areas.

Sheep, Goats and Poultry

This sector is currently a major source of protein and is estimated to provide about 13 per cent of total national meat consumption. It provides a more rapid and lower cost method of generating protein than beef cattle production, since one acre of suitable range should produce twice as much mutton or goat meat as beef. Since urban prices for this type of meat also compare well with beef prices there are very good opportunities for small stock production. There has so far been little direct investment by government in this sector except poultry. A programme for the multiplication and distribution of improved breeds of poultry is however under way, and great importance is attached to this as a means of improving nutrition.

Conclusion

Implementation of the five year investment programme is roughly on schedule but the livestock sector in 1969/70 suffered very badly from the outbreak of SAT II Foot and Mouth disease and the problems experienced by District Councils in taking over cattle buying from private traders as a result the number of carcasses exported in 1970 may be a third below the figure for 1969. It is expected that these problems will be overcome in 1970/71 and the existing investment strategy will increase output significantly over the remainder of the Plan period. It is hoped that a substantial proportion of the livestock programme will be financed by the International Development Association. With this assistance and with the resolution of pricing and marketing problems real progress should be made towards releasing the commercial potential of livestock in Tanzania.

Forestry

The official recorded consumption of sawn timber was 4,542,000 cubic feet of roundwood equivalent in 1969. However much wood is being sawn and used in Tanzania without license and the estimated actual consumption of sawnwood is more than double this amount. Consumption of paper products has shown a dramatic increase since 1963. Tonnage and value have both increased by three times to 20,196 tons and Shs. 45,824,000/-. Consumption of plywood veneer and board however have also shown a dramatic increase from a utilization of 6,645,000 sq. ft. in 1963 to 21,841,000 sq. ft. in 1968. Fuelwood consumption in Tanzania is estimated at 360 to 400 million cubic feet. In the future more fuelwood plantations will have to be established especially for industrial use (for example tobacco curing).

The estimated total out-turn of softwood in 1968/69 was estimated at 2,855,000 cu. ft. and is expected to approximate 3,400,000 cu. ft. in 1969/70. The out-turn of raw material is substantial enough to establish industries within the next five years. The importance of the softwood plantations can be illustrated by the fact that the expected out-turn of saw logs in 1973 is practically the same as the recorded production from the indigenous forest lands, yet the area of the former is 60,000 acres compared with 32,000,000 acres for the latter.

Hardwood plantations as of 1968/69 reached 15,680 acres of which Eucalyptus and other fuelwood were 10,647 acres and fine hardwoods 5,033 acres. The fine hardwood plantations have not reached the production stage yet and, therefore, no industrial development is envisaged. On the other hand, many of the fuelwood plantations are mature or over-mature and could be used for the manufacture of charcoal.

The Forest Section of Natural Resources Division has started to develop its own production activities from July 1968. Up to the end of 1968 several production units started firewood production, charcoal burning in earth kilns, and one in a steel kiln and building poles and fence posts production; sawntimber production commenced using four moveable small saw-benches and the band saw at the Utilization Section, Moshi. Also during this period one extra small sawmill was built at Olmotonyi. During 1969 two additional small sawmills were built at Sao Hill and Rondo Projects, nine charcoal kiln were brought and started production and two production units—Dar es Salaam and Olmotonyi—were equipped with new seven ton lorries. In the course 1970 plans were prepared for the construction of another two sawmills and the reconstruction of three existing sawmills. All machinery has been ordered for these schemes. Because of the success of the charcoal kilns, and additional 15 kilns have been ordered. In the Utilization Section the woodworking shop successfully started production of wooden houses. All production activity was run economically. In the financial year 1968–69 the total income was Shs. 570,055·85 and the current production cost Shs. 375,002,005.

NDC have interests in the Sikh sawmill and plywood factory at Tanga, the Grewals softwood sawmill and particle board factory at Mkumbara (West Usambaras) and in the Tabora Misitu sleeper sawmill. Production at the Tabora sawmill started in March, 1970. The Grewals sawmill is expected to start in mid to late 1970.

NDC plans to develop a fibreboard factory and a hardwood sawmill in the near future. Additionally, there are two or three more softwood mills and six hardwood mills of 200,000 cu. ft. capacity each to be erected before the end of the present plant period.

TANZANIA (MAINLAND)

Plywood, Veneer and Board Consumption

Table 35

Product	1963	1964	1965	1966	1967	1968
Plywood Imports	534	1,002	740	1,048	1,530	1,826
Exports	1,444	3,789	4 508	4,959	3,215	5,627
Production	3,908	6,573	7,794	12,237	8,808	10,658
Consumption	2,998	3,786	4,026	6,336	7,122	6,857
Veneer Net Imports	14	11	17	7	26	1
Particle-board Net Imports	—	175	100	303	433	726
Hardboard Net Imports	709	5,319	4,687	6,256	5,686	9,750*
Softboard Net Imports	—	2,509	3,727	2,204	2,365	4,000*
Other board Net Imports	2,924	140	50	318	267	507*
Total board product	3,633	8,142	8,605	9,081	8,752	14,984
Total Plywood, Veneer and Board Products	6,645	11,939	12,648	15,424	15,900	21,841

*Estimated.

The above table is printed in this form to give an idea of the consumption trend.

The thickness of the various items is not the same and, therefore, one product is not directly comparable with another.

Note.—Columns may not add up due to rounding.

A number of small scale inventories of Tanzania's forest reserves have been made since 1926 but these have usually been for constrained areas and for readily marketable species. The first national inventory will be undertaken this year and is expected to take three years to complete.

Up to 1968, there has been a widening import-export gap in Tanzania. Production had remained static with consumption increasing steadily. It will not be until softwood mills come into production that the present gap stands any chance of narrowing. The situation is expected to reverse itself in the financial year 1971/72 but until then, imports will keep on increasing.

Plans to establish education and publicity programmes to encourage the use of softwood instead of hardwood in the construction industry in Tanzania have not yet been initiated. These programmes would do a great deal to enhance exports of hardwood which fetch a much higher price in international markets. In fact the demand for hardwood is so strong that prices are expected to rise considerably over the next few years. Present demand for forest products would thus seem to justify a faster pace of development in Tanzania particularly in terms of forest plantations and forest industries. The plantation programme could be encouraged more strongly especially the Bana (Coastal) plantation.

There are serious bottlenecks however in forest development. The major one is staff. In plantation development, there is a shortage of funds particularly in assured longterm financing. Also, there has been a lack of information on where planting should be concentrated to best serve the markets.

CONSUMPTION OF PAPER PRODUCTS (NET IMPORTS)

(TANZANIA MAINLAND TO 1967 1968 FIGURES INCLUDE ZANZIBAR)

Table 36

	1963		1964		1965		1966		1967		1968	
	tons	£	tons	£	tons	£	tons	£	tons	£	tons	£
Newsprint	597	39,084	854	55,763	630	40,807	612	38,936	1,084	69,425	1,284	73,890
Printing	1,651	291,775	2,571	468,360	3,438	531,215	3,975	637,904	3,217	539,885	4,016	647,460
Kraft	2,427	279,738	3,078	390,378	3,907	520,269	6,370	843,133	6,920	923,631	8,329	1,029,900
Waste	1,055	20,932	1,861	40,959	1,800	39,911	2,126	47,102	1,936	35,609	3,987	94,650
Kraft or Waste	3,482		4,939		5,707		8,496		8,856		12,316	
Cigarette and Parchment	41	16,900	90	32,003	100	37,217	130	39,329	154	50,178	220	58,160
Regenerate Cellulose	—	—	51	20,663	126	51,721	130	52,228	98	37,636	160	55,070
Carbon Paper, etc.	(450)	66,216	(1,000)	146,758	(1,300)	196,183	(1,500)	225,433	(1,600)	238,897	(2,200)	332,070
Total	6,221	714,645	9,505	1,154,884	11,194	1,417,323	14,843	1,884,065	15,009	1,895,261	20,196	2,291,200

Another serious problem which has developed in the forest industry is the proliferation of bodies involved. Some staff is seconded to the Forest Section of the Natural Resources Division, other staff is seconded to the Research and Training Division. The fact that industrial development of forestry in Tanzania is the responsibility of yet another government body, the NDC, has compounded the problems in terms of the national development of the forest industry in Tanzania. Progress is being made in co-ordinating these various bodies in order to ensure consistent and integrated programme development.

(c) Fisheries Development

Annual fish production is estimated at 140,000 tons valued at Shs. 100 million in 1969. Although blessed with coastline of about 500 miles along the Indian Ocean, so far there has been little development of sea fisheries, which produced 17,000 tons in 1969, or 12 per cent of the total catch by weight. Main supplies are from inland waters, with catches from Lake Victoria accounting for about 40 per cent of total production. The contribution to national income is still very low, although potential yield from these waters is believed to be far more than present catches. A major deterrent to the exploitation of this potential is the inadequacy of landing, processing and distribution facilities. This project has been delayed by prolonged negotiations for equipment, and alternative sources for equipment are being sought. More remains to be done in formulating a suitable marketing system and promoting appropriate processing facilities suitable for the majority of Tanzania consumers. Until now, emphasis has been on staffing and organizing the Fisheries Division (established in 1964), and only recently has the Division undertaken some development projects. Training should be more related to development projects and since fish is one of the most easily produced protein sources, efforts to increase production through exploitation of known resources should be stepped up. Although there are qualified and experienced Tanzanians familiar with the fishery industry, guidance may be required in preparing a long-term development programme.

Table 37 TANZANIA FISHERIES PRODUCTION

Resource	1967		1968		1969	
	Weight Metric tons	Value Shs.	Weight Metric tons	Value Shs.	Weight Metric tons	Value Shs.
Fresh Water:						
Lake Victoria	43,752	33,356,460	49,353	40,181,100	53,927	33,449,000
Lake Tanganyika ...	22,500	12,861,700	30,387	14,435,100	41,421	22,869,000
Lake Rukwa	22,024	6,607,200	15,804	4,826,800	15,000	4,500,000*
Lake Kitangiri ...	5,500	2,200,000	8,035	1,436,800	5,465	1,533,000
Minor Waters	5,500	3,740,000	6,500	2,925,000	7,361	3,754,000
	99,276	58,765,360	120,079	63,804,800	123,174	66,105,000
Marine:						
Fish	19,000	26,600,000	20,900	29,260,000	15,373	28,152,000
Crustacea (a)	400	3,200,000	507	3,776,700	596	3,997,000
Beche des Mer (Dry) ...	14	30,470	35	124,970	43	184,200
Sea Weed (Dry) ...	10	8,296	52	123,650	205	205,700
Sea Shells (b)	—	—	533	1,104,000	769	1,214,345
	19,424	29,838,696	22,027	34,389,320	16,986	33,753,245
Total Production ...	118,700	88,604,126	142,106	98,194,120	140,160	99,858,245

Note.—(a) Weight of whole.
(b) Including Zanzibar.

Source.—Ministry of Agriculture, Food and Co-operatives.

The industry is based mainly on traditional equipment and techniques both along the coast and in the inland waters. Buildings are now nearing completion at Mbegani which will be a centre for fishing gear, trials, boat-yard for *ad hoc* refresher courses for staff, and headquarters for the fisheries patrol services. Tested new fishing techniques and equipment will then be introduced to fishermen by demonstration and advice. To be able to carry this out, the department will be equipped with boats, workshops and mobile repair units will be set up. Also, the basic national network of Fisheries Services will be completed.

In 1969 two Ujamaa Villages Units were started at Moa in Tanga and at Ruchelele in Mwanza. The development of Moa project has been hampered by difficulties in acquiring capital goods. Various types of gear have been purchased but cannot be put to use as the boats built lack engines on account of administrative delays. The fishermen at Ruchelele have settled and started their own organizational arrangements on the lines of an Ujamaa village. They are being trained in fishing techniques and in keeping accounts and records. In January, 1970, the village had eighteen fishing days with an average catch of 180 kg. valued at Shs. 111 per day. Costings show that nearly Shs. 8 million would be required for 28 Ujamaa Village Fishing Units with some 7,000 villages. This is a very small proportion of Tanzanian fisherman, and more assistance to the local fisherman with his less sophisticated craft will continue to be required.

Both the Village Fishing Units and the Development of Fisheries Services projects will create increased demand for boats. The Fisheries Division has two boat building yards in Dar es Salaam and Mwanza each. Both boat-yards have shown some profit on the sale of boats during the last financial year, and are undergoing building expansion to meet the rising demand for more fishing boats.

N.A.F.C.O. is now negotiating with a Japanese firm to acqure a 50 per cent share in the prawn fisheries industry in Tanzania.

(d) Main Export Crops

Cotton

Total production of cotton for the crop year 1969/70 was 393,210 bales of which 383,805 were produced in the Lake Region and 9,405 in the Coast Region. Ninety per cent of the cotton produced was of AR grade, the remainder being BR grade. The average price per lb. for the season is estimated at 173·4 cents per lb. for AR and 129·4 cents per lb. for BR. This level of production is 56 per cent of the 1973/74 target of 700,000 bales. There is every indication however that, provided climatic conditions are not abnormal, production will reach 420,000 bales for 1970/71 which represents 60 per cent of the target. The priority regions for growing cotton have been established as Mwanza, Mara, Shinyanga, Tabora, Nzega District and West Lake (Biharamulo District). In 1969 there were an estimated 800,000 to one million acres under cultivation.

Production of seed cotton is presently estimated at 500 to 550 lb. per acre. Yield per acre in a raingrown crop must be related to climatic conditions. With the new varieties yielding 15 to 20 per cent more in the field, it is not inconceivable that by 1970/71, the crop yields may rise to nearly 600 lb. per acre. If encouragement is given to use the higher yielding strains over the whole area, it is expected that by 1974, yield per acre will have risen to 750 lb.

The use of fertilizer has been increasing only very slowly. It is estimated that in 1967/68, the acreage fertilized was approximately 27,000. In 1968/69, it is estimated at 26,000 acres or only about 3 per cent of the total area. There is a credit scheme for fertilizer operating under N.D.C.A., but very little use has been made of it. The subsidy paid by the Board in collaboration with N.C.U. Ltd. to encourage fertilizer use Shs. 6/- per acre in 1967/68 and Shs. 9/- per acre in 1968/69. Emphasis should be placed in encouraging fertilizer use. Use of insecticides on the other hand has progressed and is increasing slightly each year. Present acreage sprayed in 1969 is estimated at 50 to 60,000, but again only 6 per cent of the total area. There are at present storage facilities for 249,000 bales of cotton or over half of the present crop, plans are to erect a 40,000 bale godown in Dar es Salaam for the 1971/72 season. The Board is also giving grants for the construction of bale stores in Luguru and Malampaka. Capacity at the Luguru ginnery is being increased to a 35,000 bale production level and the Malampaka ginnery is being completely rebuilt.

Based on a three-shift full capacity utilization, the ginning capacity in Tanzania stands at 500,000 bales. With a crop of 390,000 bales at present, there is considerable flexibility in the working of the ginneries. Unless these are kept up efficiently with few breakdowns however, there will be difficulty in ginning a 500,000 bale production particularly that the crop is processed over a seven month period from June to December.

Prices for cotton are usually announced by the Government prior to planting as part of Government policy. These prices are fixed for the crop year and are uniform all over Tanzania. In order to achieve rapid picking and early movement to the ginneries however, the Board with the approval of Government instituted an early picking bonus in 1969/70 for the first four weeks of the season of two cents per pound. The result was spectacular in 1968/69 as the co-operatives bought 93,000 bales or 25 per cent of the crop in the first four weeks. This procedure is being continued in the 1970/71 season.

Encouraging increased production must be viewed in the light of the world cotton situation. Tanzania cotton is presently classed as one of the highest quality 11/16 inch cotton in the world and fetches 30 cents per pound more than the Mexican cotton which also sells at a premium. This is so because it is hand-picked and roller-ginned cotton. The prices are also presently high because the Mexican crop is down on higher grades, Central and South American cotton lacks high grades and the American crop has been low.

The main outlets for Tanzanian cotton are presently Hong Kong, China and Japan. If Tanzania is to increase its production, it must find other outlets. Hong Kong is buying such large quantities because of her opportunity to sell textiles into U.K. on Commonwealth preference. This policy ends in December, 1971. Japan is slowly going in for blending and MMF are making significant inroads.

The Board has now completed expansion plans for the Ukiriguru Research Station. A fully equipped library and projection centre will be established as well as a single stored cotton laboratory section and a very modern fibre laboratory staffed with a highly qualified fibre technologist. A miniature spinning mill is also being installed.

At present the most serious bottlenecks exist on three fronts. One is in the movement of produce. The lorries used are inadequate in number and quality. This problem must be tackled energetically. The other is that more aggressive sales policies must be developed in regard to cotton seed oil. Finally, there is a great lack of skilled manpower in ginneries. A concentrated effort must be made in teaching present staff the skills required, as maintenance of ginneries is not up to standard.

Sisal

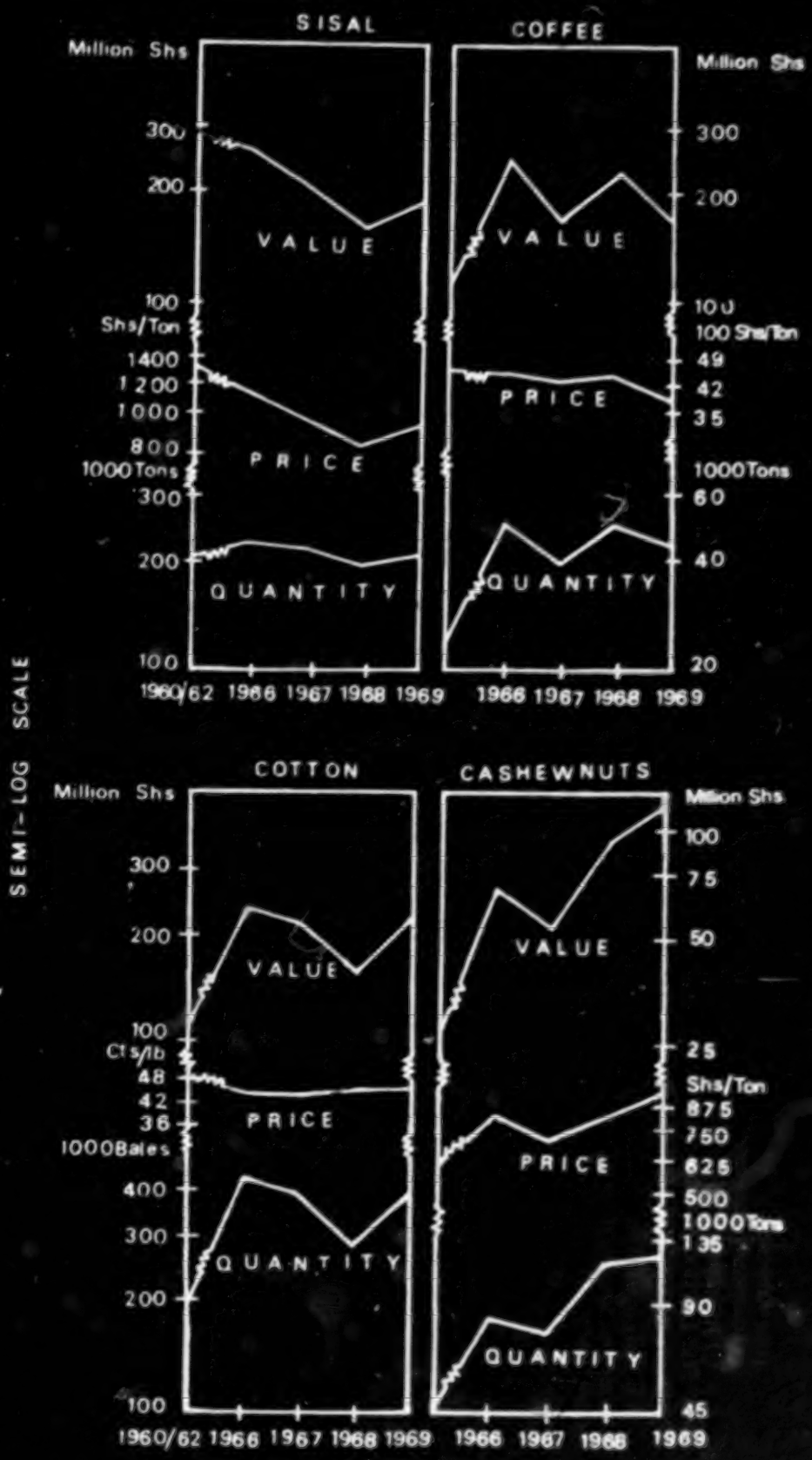
Although the price of sisal (No. 31) declined by about 4 per cent, production increased from 196,892 metric tons in 1968 to 209,303 tons in 1969. Local sales continued their upward trend but exports registered a 9·5 per cent fall to 171,942 tons compared to an export quota of 185,000 tons in 1969, and stocks reached their highest over the decade. The 1969 production cannot be maintained. The F.A.O. Sub-committee on hard fibres which met in Rome early in 1970 agreed that the global quota should remain unchanged and that on no account should prices be reduced. Government has brought in legislation to bring sisal marketing into a single channel under the Tanzania Sisal Board.

The Tanzania Sisal Corporation and its subsidiaries control a production potential of 95,000 tons. During 1969, the Corporation undertook diversification projects in maize, rice, sunflower and coconuts. The scale and scope for diversification activities both require more drive. The development of smallholder growing of sisal has been restricted principally by the low returns to producers.

The Sisal Research Station at Mlingano has been taken over by the Ministry of Agriculture, Food and Co-operatives. Although research on sisal is continuing, with the emphasis on a diversification in the sisal industry the scope of activities at the Station has been broadened.

Efforts are being made in the development of and uses for sisal. Initial efforts have been directed into solving the problems of using sisal as a reinforcement in plastic sheetings, and preliminary investigations into the use of sisal as a reinforcing agent in the construction of tarmarc roads is promising. None of these experiments has reached the stage of commercial development.

PRODUCTION GROWER PRICE AND GROSS OUTPUT VALUE OF MAJOR EXPORT CROPS



COTTON

Table 38

Crop Year(1)	Price Paid to Growers (Cents/lb.)		Lint Cotton					Cotton Seed				Lint and Seed Marketing Board Surplus/ Deficit (+/—) ('000 Shs.)
			Production (Bales(2))			Average Sales Price (Cents/lb.)		Seed Sold ('000 tons)		Average Price (Shs./ton)		
	A	C	AR	BR	Total	AR	BR	A	C	A	C	
1960–62 Average	55	22	170,160	19,954	190,114	196·6	161·6	46	7	394·1	389·1	—15,071
1965	48	21	340,724	28,736	369,460	180·4	137·2	89	10	540·1	304·9	— 2,668
1966	46	21	392,867	41,519	434,386	172·4	129·3	106	15	393·0	237·2	— 9,858
1967	46	21	352,699	37,686	390,385	187·2	143·2	90	12	508·0	292·0	+ 4,004
1968	48	23	242,736	40,270	283,006	202·8	138·1	57	14	465·0	283·3	+19,957
1969*	50	25	330,000	60,000	390,000	173·0	128·0	80	18	455·0	279·0	—30,000
Percentage change 1968/69	+4·2	+8·7	+36·0	+49·0	+37·8	—14·7	—7·3	+40·4	+28·6	—2·2	—2·5	†
Annual Percentage Growth rate 1960/62–69 ...	—1·2	+1·6	+8·6	+14·8	+ 9·4	—1·6	—2·9	+ 7·2	+12·5	1·8	+5·0	†

Source.—Lint and Seed Marketing Board.

Note.—(1) The crop year is July/June.
(2) Bales of 400 lb.
*Provisional estimates.
†not applicable.

SISAL

Table 39

Quantity in tonnes.

Year	Nature area (hectares)	Production	Total Export	Estimated Local Sales(1)	Estimated change in Stocks (±)	World Production Estimates	Price of Sisal No. 3L (£ sterling/ tonne) (2)
1960–62 Average	214,000	208,923	223,075	—	− 14,152	576,000	101
1965	222,276	217,588	213,888	5,828 (R)	2,128 (R)	620,000	62
1966	228,634	225,084	199,893	8,804 (R)	+ 16,387 (R)	665,000	73
1967	236,587	220,093	205,126	14,390 (P)	+ 577 (P)	634,000	69
1968	230,092	196,892	190,028	15,050 (P)	- 8,186 (P)	617,000	77
1969	..	209,303	171942(P)	16,850 (P)	+ 20,510 (P)	605,000(P)	74
Percentage Change 1968/69... ...	..	+ 6·3	− 9·5	+12·0	—	− 2·0	− 3·9

Source:—Bureau of Statistics.

Note:—1 hectare = 2·471 acre; 1 tonne = 1 metric ton = 2,205 lbs.

(1)In Tanzania.

(2)December price c.i.f. European Berth Ports; Current Shipment.

(R)Revised.

(P)Provisional estimate.

– Negligible.

.. Not available.

Coffee

A significant change in the World Coffee demand—supply relationship has been occassioned by the July 1969 Brazil frost which struck the major coffee growing state of Parana. Since then, coffee prices have improved, and World Coffee production is likely to be below requirements for the next 3–4 years. While there is no adjustment of output and export targets in the Plan, final year ot the government will allow coffee farmers to reap the benefit of the present high prices as an incentive to improve farming practices and raise production the short run. The increase in output is expected through higher yields rather than acreage expansion. Despite widespread application of copper spray and fertilizers, productivity in the smallholder sector which accounts for 75 per cent of total production has been low at about 5 cwt per acre, compared to 15 cwt per acre an estates. Characteristics of the biannual variations in coffee production in Tanzania, output fell from 51,545 tons in 1968 to 45,987 tons in 1969, a decline of 10·8 per cent. An annual growth rate in output of about 10 per cent over the next four years will now be required in order to meet the Plan target of 67,000 tons in 1973/74.

Government will continue efforts which will improve Tanzania's long-run competitive position. A coffee diversification plan is in preparation, although the International Coffee Organization has not yet agreed on country production goals. The running of the main coffee research station—Lyamungu, is now under government and the field of research activities will be broadened. The Coffee Board has recruited specialist coffee processing officers and is carrying out a storage experiment scheme in Moshi.

Tanzania's basic export quota of 700,000 bags (41,000 tons) for the 5 years of the 1968 International Coffee Agreement has already proved inadequate and resulted in a heavy burden of sales to non-quota markets. In the 1968/69 season, the crop amounted to 1,123,000 bags but permissible exports to high-price export markets were limited to 572,000 bags, nearly 50 per cent of exportable production. Far more coffee than is desirable had to be sold to non-quota markets.

Coffee

Year	Production (Tonnes)			Coffee Board Sales[3]			
				Mild Coffee		Hard Coffee	
	Mild[2]	Hard[3]	Total[3]	Quantity (tonnes)	Average Price (Shs./50 kg.)	Quantity (tonnes)	Average Price (Shs./50 kg.)
1964	24,930	8,907	33,837	25,945	323·50	6,179	268·32
1965	23,765	10,420	34,185	20,607	328·87	8,516	218·96
1966	38,985	12,954	12,939	34,839	306·97	15,455	243·32
1967	29,729	10,447	40,176	30,242	275·69	10,702	230·71
1968	35,110	16,435	51,545	36,508	246·12	13,714	214·51
1969	35,863	10,124*	45,987*	39,763	238·96	13,205	189·52
Percentage change 1968/1969	+2·1	−38·4	−10·8	+8·9	−2·9	−3·7	−11·6

Source.—Bureau of Statistics.

Notes:—1 tons = 1'000 kg. = 2,205 lbs.

[1]82 per cent of the parchment delivered to mill by K.N.C.U., T.C.G.A. and Coffee Board (the Board on behalf of the now defunct Tanganyika Co-operative Trading Agency).

[2]Amount passed for export at grading station, Bukoba, as well as the production through Rugufi Co-operative Union.

[3]Sales season in between October previous year and September of year under reference.

*Provisional.

Cashewnuts

Production of cashews for the crop year 1969/70 to date suggests a fall in volume from the previous year though the figures for the full year are not yet available. Total production for 1968/69 was 116,300 tons and for 1969/70 about 100,000 tons. The export value of the crop has been rising and was Shs. 126,000,000/- in 1968/69 as compared to Shs. 100,000,000/- in 1966 and Shs. 92,200,000/- in 1967. Indications are that production has a rising trend due to new planting, but there are a number of trees that are past maturity and whose yield will steadily decrease. Production of cashewnuts has been encouraged by price policy, and producer prices, uniform across the country, are announced before the season and guaranteed by the NAPB which handles virtually the whole crop. About 15 per cent of the crop is processed locally and then exported and the remainder is exported unprocessed largely to India where it is processed at very low cost.

While this compatitive situation lasts, it is not economic to process cashews mechanically in Tanzania. Thus it is not suprprising that both the mechanical processing factories in Tanzania operate at a loss. A more promissing development is hand processing in ujamaa villages, and NDC has begun to do this, sending 7 graduates to ujamaa villages. This method uses labour available in the coastal areas where there are already a large number of ujamaa villages, and provides a much firmer base for a local processing industry.

It is not likely that the present prices for cashewnuts will be maintained indefinitely. However, the price could fall a lot before the farmers gave up growing the crop. Cashews are becoming much more common nut in packets of mixed nuts, and as they become cheaper the quantity consumed will greatly expand. If this is the likely development of the market Tanzania's best strategy is to try and increase production camps to get more trees planted. In the short run the extension work should concentrate on getting the areas under the trees weeded and cleared well before the nuts start to fall. A more important development would be to improve quality control at the co-operative buying points where far too many wet nuts are still being accepted.

Tea

To-date, tea is mainly an estate crop. There are 11,208 hectares under tea, of which 7 per cent are private estates 16 per cent are under the small holder sector, and 10 per cent are estates owned by two parastatals—the National Development Corporation and the Tanzania Sisal Corporation.

The Tanzania Tea Authority was established in 1969 and became operative in April of the same year. During the Second Five-Year Plan, the Authority is charged with the responsibility to expand the smallholder sector from 1,855 to 12,900 hectares over the Plan period involving the mobilization of 17,500 farmers. The mobilization of such a large number of farmers will require the assistance of TANU and MAENDELEO.—The Authority's programme of smallholder tea Development is tabled below. During 1969/70, the Authority established two tea nurseries at Rungwe and Bukoba, and about 650 hectares were put under tea, compared to the original target of 599 hectares. It is intended to raise the nursery acreage from 90 in 1969/70 to 470 in 1970/71. The first smallholder—tea processing factory (at Mponde Lushoto) is expected to be ready towards the end of this year.

TANZANIA TEA AUTHORITY'S SMALLHOLDER DEVELOPMENT PROGRAMME

	Usambara	Bukoba	Njombe	Hectares		Total
				Mufindi	Rungwe	
1968/69	520	398	398	—	639	1,855
1969/70	160	60	121	—	258	599
1970/71	181	222	170	20	527	1,120
1971/72	655	542	772	40	1,339	3,348
1972/73	551	554	835	100	1,132	3,172
1973/74	533	524	704	140	905	2,806
Total ...	2,600	2,200	3,000*	300	4,800	12,900

*Tentative.

TOBACCO

Table 42

Crop Year(1)	Flue-cured		Fire-cured		Aromatic(2)		Total
	Quantity ('000 lbs.)	Average price to growers (shs./cts. per lb.)	Quantity ('000 lbs.)	Average price to growers (shs./cts. per lb.)	Quantity ('000 lbs.)	Average price to growers (shs./cts. per lb.)	Production ('000 lbs.)
1965	8,826	2/26	2,400	-/65	215	2/48	11,441
1966	7,883	2/09	3,366	-/67	448	2/11	11,697
1967	10,124	2/37	6,968	-/83	300	2/22	17,392
1968	11,251	2/34	4,760	-/80	—	—	16,011
1969*	17,921	2/33	7,734(3)	-/79	—	—	25,655
Percentage change 1968/69	+59·3	—0·4	+62·5	—1·2	—	—	+60·2

Source.— Tanganyika Tobacco Board.

Note.— (1)The crop-year for flue-cured tobacco is between February of the year under reference and January of subsequent year; that for flue-cured tobacco is between July and June respectively.

(2)The production of aromatic tobacco has been discontinued since 1968.

(3)Including approx. 13,000 lbs. of sun-cured tobacco.

*Provisional.

Production increased from 17·5 million lbs. in 1968 to 19·4 million in 1969, and increase of nearly 11 per cent as against Plan target of 9 per cent growth rate per annum. In 1969, Iringa Region surpassed Tanga Region in tea output for the first time. A start was made in co-operative tea farming systems especially in Bukoba. Both the private and smallholder sector industry must aim at high quality in order to maintain the good name of Tanzania teas on the exports markets.

Export prices of Tanzania tea on the London market during the period 1962/69 have been steadly declining from an equivalent of T. Shs. 3/50 to Shs. 3/23 in 1967, and after devaluation the average price on the London market was Shs. 3/12 per lb. by the end of 1969. The decline in export price has been reflected in the smallholder grower price—the average price of green leaf tea has over the same period, dropped from 35—cents/lb. to about 20 cents/lb. In November—December 1969, a meeting of tea exporting countries and the first Consultative Committee on Tea met in Rome and agreed on a distribution of quotas for the amount to be marketed in 1970, pending further studies on a longer-term agreement to limit the output of tea. Tanzania expressed serious reservation on questions of principle and criteria for allocation of quotas and did not sign the agreement.

TEA (Quantity in '000 lbs.)

Table 41

Year	Average (1)	Production				Local (2) Sales	Foreign Sales
		Northern Area	Southern Area	Total Area	Smallholder Sector		
1960–62	14,130	3,572	5,608	9,180	—	1,885	7,010
Average 1965							
1965	19,400	5,090	7,346	12,526	92	2,619	1,773
1966	20,439	6,565	8,427	14,991	232	2,924	13,122
1967	21,993	5,688	10,092	15,780	517	3,019	12,486
1968	23,152	7,245	10,123	17,468	797	3,960	12,848
1969	24,713	8,373	10,978	19,351	—	3,733	14,624
Percentage change 1968–69	+6·7	+8·4	+8·4	+10·8	—	−5·7	+13·8
Annual p.c. growth rate 1960-62/69	+7·2	+8·8	+9·8	+9·8	—	−8·9	+9·6

Source.— Tanzania Tea Authority.

Note: (1) Semi—mature and mature area, i.e. planted for a period exceeding 3 years; Acreage figures refer to as at the middle of the year; an average of two acreage figures as at 31.12.60 and 31.12.61 has been taken as the average acreage for 1960–62.

(2) Sales within East Africa.

(—) Means nil or negligible.

(×) Means not applicable.

(. .) Means not available.

TOBACCO

The tobacco industry has rapidly become a major source of cash income for thousands of small farmers and in important foreign exchange earner for the country. Total production of both flue and fire cured tobacco at 25·7 million lbs. in 1969 was an increase of no less than 60 per cent over 1968 output and is now large enough to attract international auctions. Plans are being made to build an action floor for use by early 1972. The policy of announcing prices to be paid to farmers before the beginning of the planting season has further stimulated production. With increased production, storage facilities were a main problem both in the field and at the Processing Plant in Morogoro. Godowns have been built at Morogoro and in up-country stations. Another problem was poor drying and misgrading.

Table 43

PYRETHRUM FLOWERS

Year	Northern Area		Southern Area		Total		Pyrethrum content (%)	Average price to growers (shs./cts. per lb.)
	Licensed Acreage	Production ('000 lbs.)	Licensed Acreage	Production ('000 lbs.)	Licensed Acreage	Production ('000 lbs.)		
1960—62 Average...	3,037	1,347	6,825	1,699	9,862	3,046	1·29	2/50
1965	8,338	2,376	33,985	5,705	42,323	8,081	1·29	2/49
1966	9,581	2,006	75,512	7,745	85,093	9,751	1·28	2/43
1967	9,054	2,382	58,654	12,371	67,703	14,753	1·23	2/31
1968	9,778	1,788	57,359	8,791	67,137	10,579	1·17	1/78
1969	9,587	1,218	68,043	7,067	77,630	8,285	1·20	1/74
Percentage Change 1968/69	−2·0	−31·9	+18·6	−19·6	+15·6	−21·7	+2·6	−2·2
Annual growth rate (1960–62/69)	+15·5	−1·3	+33·3	+19·5	+29·4	+13·3	−0·9	−4·4

Source.—Tanganyika Extract Co. Ltd.

Note.—Northern Area refers to Arusha and Kilimanjaro districts; Southern Area to Njombe, Mbeya and Iringa districts.
The licensed acreages refer to the season ending 30th June of the year under reference.
Production of pyrethrum is quantity of dried flowers delivered to Tanganyika Extract Co.

Flue-cured production increased from 11·3 million lbs. to 17·9 million lbs., or by 59 per cent. The Plan objective is to achieve a growth rate of 25 per cent annual reaching 35 million lbs. in 1974. The major growing areas are centred in Tabora, Urambo, Mpanda and Kaliua in Western Tanzania; and Iringa and Chunya (Lupatingatinga/Matwiga) in south-western Tanzania. Expansion prospects are better in Tabora and Mbeya Regions, than in Iringa Region. Small-holders are well organized with farmers using fertilizers and modern cultivation practices. Ujamaa Villages based on tobacco are amongst the most successful. More attention will be directed to the organization of credit and extension services. Firecured tobacco is slated for a slower rate of growth at 6 per cent per annum. The world market outlook for this type of tobacco appears to be improving, but it may be too early to alter production targets upwards. Sun-cured tobacco, new in an experimental stage of production, is being well received by customers.

PYRETHRUM

Production fell from 10·6 million lb. in 1968 to 8·3 million lb. in 1969, a decline of about 20 per cent compared to Plan expectations of an annual production increase of 4 per cent. The 1968 decline in price of about 20 per cent of the grower price, coupled with a relatively bad year, played an important part in depressing output; and small quantities of flowers had to be imported to meet our quota.

Although synthetics continue to pose increasing threats to the industry recently there has been growing concern in the world over the risks of using synthetic chemicals and doubts about DDT. Since pyrethrin is a non-residual insecticide, prospects for continuing expansion of the market are very good. However, it still has to compare with synthetic products and the producer price should not rise. The Plan is very cautious about this crop and gave the recommended policies of discouraging increase in output and search for new markets. It is probably now time to change the production aim of the Plan to one of expanding the crop at the present price. This can be done by the introduction of better planting material and more intensive agricultural methods, especially in the South where yields, per acre are very low.

(c) FOODGRAINS

MAIZE

Maize is by far the most important food grain crop in Tanzania. It is a major objective of the Plan to ensure that local production expands to meet the needs of a growing population, to allow for increasing levels of per capita consumption, and to tide the country over the bad harvest years and avoid the situation of the early sixties when there were periods of high import.

Maize marketed by the NAPB amounted to 44,000 tons in 1969/70 compared with 130,000 tons in 1968/69. The country moved from a period of embarrassing suplus to a year of importing, and lost out both ways since there is a loss of about 300/- on each ton exported while imports are not significantly cheaper than local production. The main costs are in transport, storage and distribution since the farmer only gets about 25 cents/kg. for his maize.

However, NAPB has great problems, since marketed production is only a tiny proportion of total production (the best figures available are only guesses and these are that NAPB handles between 7 and 15 per cent of the crop). Many farmers in Tanzania grow maize, and they try and sell any surplus in local markets. Surplus over and above this goes to the NAPB. The price in local markets fluctuates between a floor set by the NAPB buying price on the one hand and a ceiling price at which it sells on the other. Between these margins a lot of sale, strictly speaking illegal in many cases, goes on.

So NAPB is left with the surplus production, about 140,000 tons in a good year, but as little as 40,000 tons in a bad year. With this it has to supply a constant demand to the towns, a fairly small demand in certain deficit areas in the countryside, and to meet demands for famine relief. This may cost as much as 15,000,000/- in a bad year. However, NAPB does not seem to have managed its storage policy very well, and when given the chance to dispose of surplus has done so to too great an extent. It's position will be eased by the silo construction project presently being planned with the aid of a loan from SIDA.

PADDY

Marketed paddy production in 1969 was 55,993 tons as compared to 43,000 tons in 1968 and 31,000 tons in 1967. Subsistence consumption over and above this is not known but it is probably of the same order of magnitude as the marketed surplus.

The aim of the Plan is to transform Tanzania from being a net importer of rice on a modest scale into an exporter during the Plan period. Given good weather this aim has beer achieved in the first year of the Plai and we have begun to export, something we have not done in significant quar tities since 1965. In the past year good prices were achieved for rice exports to neighbouring countries, but this sudden rise in production has caught the marketing authorities unawares, and at the time of writing the stores are full and few export contracts have been arranged.

Milling is carried out by the National Milling Corporation ar d some co-operative mills, and distribution in Dar es Salaam is carried out by National Distributors Ltd. (UGAWAJI). If contracts could be arranged rice could also be exported, but it is thought that most of our neighbours have sufficient milling capacity of their own and would prefer to buy paddy.

The problems of this crop illustrate the difficultires under which NAPB operates. Rice production is highly dependent on the weather, since most of the rice is produced in flooded enclosures and river bottoms. Morever it is a subsistence crop and only the surplus is sold—obviously this surplus will fluctuate far more wildly than total production. But with this surplus NAPB has to meet the demand for rice in the urban areas (estimated in the Plan to be rising at 7 per cent per annum). It is a buyer of last resort, and cannot refuse to buy paddy when it is offered for sale. Thus in a good year its stores are full to bursting, while in a bad year there is not enough rice and it has to import. It is fortunate that our production prices are not far removed from export parity—when certain overhead costs are waived. But even so it is only possible to conduct a rational policy if the marketing board is constantly aware of opportunities of both buying and selling in overseas markets, and if it has a first rate monitoring system of local production so that it can estimate accurately the order of magnitude of the surpluses it is likely to have to deal with.

WHEAT

Marketed quantities of wheat declined from a 1966/67 average of 31,000 tons to 24,000 tons in 1968/69 and 22,000 tons in 1969/70. Imports increased from 27,000 tons in 1966/67 to 36,000 tons in 1968/69 and 55,000 tons in 1969/70. With the present price structure for wheat this must have led to profits for the NAPB since there is a world surplus of wheat and our local into-store prices are well above import prices.

In 1968 a Canadian team toured the country with the aim of advising on the development of wheat. Their conslucions were that although wheat could be produced in many parts of the country, in most of these parts it was a marginal crop, and should only be encouraged special agricultural practices were introduced to preserve the soil. As a result of this mission the Canadians have agreed to establish a soils laboratory at Arusha whose particular interest would be in the introduction of wheat to new areas, and which would include personnel with knowledge of minimal cultivation techniques.

But meanwhile the wheat state farms of the Production Division of Kilimo have been begun. It was bad luck for them that last year was such a bad year for food graims with a long drought just after planting in many places. Minimal cultivation techniques are being experimented with at Rwankoma in Mara Region and at Ilindi in Mbeya Region. After two bad years everyone growing wheat is hoping for a change of fortune.

(b) OTHER CROPS

Fruit and Vegetables

In the past production and marketing of fresh fruits and vegetables have been neglected, being handled as minor crops. A long-term package programme for the development of the fruit and vegetable industry of Tanzania is called for. Also there is need to review the whole marketing structure of fruit and vegetables, now in the hands of private traders and lacking in essential improvements. Efforts on grading and packing, together with better transportation would play on important part in reducing hitherto high percentage of wastage and deterioration of pershables on their way from producers to consumers. In centre is investigating a National Cold Storage Scheme under NAFCO which could play an important role in storing produce when markets are oversupplied during the peak of the season for sale in the off-season. A monthly bulletin is produced to serve as a guide for planning production and stimulating inter-regional trade.

Imports of fruit and vegetables, could be replaced by Tanzanian goods to a large extent. Although a reasonable range of produce are now being manufactured by the National Milling Corporation—Canning Division, a number of items which are popular in the market are not yet either wholly or sufficiently being processed. Wherever feasible, small canneries will be established in several areas, including Ujamaa villages. There seems to be good prospects for exports of some commodities to neighbouring countries and to Europe. Shipments to Zambia are an immediate possibility, but development of this trade has been held pu by organizational difficulties.

Cardamons

Cardamons is presently grown in Amani and Daluni areas of Tanga Region, and the annual crop is estimated at some 300 tons. NAPB was empowered to take over control and marketing of this crop in December 1969. A branch has been opened in Tanga to deal with the handling and exportation of cardamons. Overseas markets have been good and the Board, through negotiations, has now achieved a c.i.f. price of 52,000/- per metric ton. Sales of this crop have been mainly to Germany, Sweden, Singapore and a few tons to Japan and the U.S.A. With an ex store price 23/- per kilo, farmers are now receiving 1/- per kilo more than was being offered by the replaced private trader. NAPB will soon formulate a more realistic cost structure and pricing policy for future marketing of the crop. The demand for Tanzanian cardamons is high, and efforts should be made to expand output. Recently, the crop had been introduced in Kilimanjaro, Bukoba and Mbinga.

Groundnuts

The Plan aim is to increase production of groundnuts which has been falling since 1963. Then marketed production was 12,180 tons, but by 1968 it had fallen to 6,730 tons and in 1969 it was 3,443 tons. However, the crop is in the first three crop priorities in 20 districts out of 60 in the country, and this indicates its scope as a crop capable of providing useful cash income in many areas of the country which do not otherwise have an obvious cash crop. Kilimo is beginning to organize its extension work to encourage production of the crop but at this stage there do not seem to have been any local or national projects or extension schemes written up.

Sugar

Sugar production has been increasing rapidly in recent years. Production for 1969 at 90,564 tons was 11·6 per cent higher than 1968 output, making Tanzania just self-sufficient in sugar for the first time. The production target of 110,000 tons in 1974 aims at continuous self-sufficiency plus a small surplus. Existing sugar estates are capable of further expansion and there are economies to be obtained by increasing output. Nafco is participating in the expansion of the Mtibwa estate Expansion will be so designed that further increases in capacity can take place economically. There is evidence that sugar consumption is increasing steadily.

SUGAR

Table 45

Year	Production (tons)	Consumption*	
		Total (tons)	Per capita (lbs.)
1960–62 Average	32,221	59,439	12·6
1965	66,325	66,072	12·7
1966	69,898	74,986	14·0
1967	70,618	74,605	13·6
1968	81,127	81,602	14·5
1969†	90,564	87,312	15·1
Percentage change 1968/69	+11·6	+7·0	+4·1
Annual growth rate 1960–62/69 ...	+13·8	+4·9	+2·3

Source.—Bureau of Statistics.

Note.—The ex-factory price of sugar (excluding excise duty) has been fixed at Shs. 919/- per ton and the retail price in Dar es Salaam, at Shs. 1/70 per kilogram.

*Including Zanzibar; revised estimates.

†provisional.

IMPORTS OF PROCESSED FRUIT AND VEGETABLES INTO TANZANIA, 1967–68

Table 44

	1967				1968			
	Quantity in Metric tons		Value in Shs.		Quantity in Metric tons		Value in Shs.	
	External	Community	External	Community	External	Community	External	Community
A. Fruit preserved and fruit preparation								
(1) Fruit preserved by sugar	6·2	—	21,360	—	11·3	0·8	64,180	2,620
(2) Juices marmalades, fruit fethes other pulp and pastes	32·2	244·9	121,300	692,420	58·8	311·4	184,280	910,920
B. Fruit juices:								
(1) Tomato juice	10·5	18·9	28,880	159,560	18·7	129,020	250,120	268,300
(2) Pineapple juice	—	131·6	—	160,480	—	194·1	—	240,720
(3) Passion fruit juice	—	18·4	—	63,060	—	20·0	—	72,660
(4) Other fruit juice	18·9	35·4	—	91·3	—	48·5	290,740	112,240
C. Fruit temporarily preserved	1·5	—	3,480	—	3·2	—	15,480	—
D. Fruit temporarily preserved:								
(1) Pineapple tinned	—	57·4	—	97,000	—	96·6	—	174,060
(2) Other	165·0	61·8	502,120	200,020	189·9	51·7	598,400	178,560
E. Vegetables preserved or prepared:								
(1) Tomato puree	515·3	—	1,362,060	—	701·8	—	1,779,420	—
(2) Other canned vegetables	103·3	—	478,340	—	132·0	388·9	608,880	778,800
Total ...	852·9	568·4	2,581,920	1,450,100	1,207·0	1,061·0	3,591,500	4,245,320

Sources.—Annual Trade Reports.

2. TRANSPORTATION AND COMMUNICATIONS

Introduction

The extensive general analysis of the objectives and programmes of the transportation and communications sector contained in the Second Five-Year Plan* remains generally valid. The following summary reviews general progress and discusses in some detail specific aspects of the programme which require further amplification either because the original projections and estimates were only approximate, or because needs have changed since publication of the Plan.

It should be noted that the transportation and communications programme is operated at three separate levels:

(a) Tanzania—through the Ministry of Communications, Transport and Labour dealing primarily with the planning and construction of roads and aerodromes, inland waterways, coastal shipping and other modes of internal transportation not falling within the Community's powers, as well as such related issues as regulation of road licences.

(b) East African Community—through the East African Corporations (East African Airways, East African Railways, East African Harbours and East African Posts and Telecommunications) which report to the Communications Council, and through the East African Committee of Planners, Transport and Communications sub-committee which reports to the Economic Consultative and Planning Council.

(c) East African Community and Zambia—International Shipping—through the Intergovernmental Standing Committee on Shipping and through the Board of Directors of the Eastern Africa National Shipping Ltd.

Tanzania's Domestic Programme—Ministry of Communications, Transport and Labour

(a) *Roads and Aerodromes Division:*

Details of the phasing of projects in this division appear on page 84 of Volume II of the Second Plan. Generally, progress was satisfactory in 1969/70; the programme was, of course, dominated by Tan-Zam road construction on which the rate of progress is only slightly behind that estimated. The second major project, Kilimanjaro International Airport, is also virtually on schedule. These two projects account for three-quarters of estimated roads and aerodromes expenditure in 1969/70. A number of the remaining projects suffered from delays, such as the Odeani–Makuyuni, Odeani–Mwanza roads, and a number of feeder road programmes. Overall, the three main bottlenecks in implementing the transport programme have been:—

(a) delay in external financing—some unavoidable delays have occurred in the negotiation of various grants and loans from multilateral and bilateral agencies. Although prospects of early agreement with several nations are good, it appears that the World Bank Third Highway Project for Tanzania now will be delayed at least another full year until financing is arranged;

(b) inability to spend—the two primary causes of these delays have been inadequacy of staff and equipment on projects constructed on force account and unforeseen delays on projects constructed by foreign consultants/contractors;

(c) change of plans—the feasibility of certain projects have come into question for a number of reasons including upward revision in costs, reconsideration of benefits or other changes in local conditions.

The 1970/71 programme which is tabulated in detail in Part IV below, totals Shs. 234 million, and again generally conforms to the original intentions of the Plan. Certain aspects merit special attention. On feeder roads the final report on six districts of Tanzania—Mara (North Mara and Musoma), Mbulu (Arusha), Lushoto, Morogoro, Rungwe and Njombe has now been completed. This study covers approximately 1,000 miles of feeder and penetration roads. From this report, feeder roads in two districts—Mara and Mbulu—have been selected for immediate construction in a pilot project by means of betterment units. Comworks intends that these self-contained units will develop a construction capacity

*Vol. I General Analysis—Chapter 6 and Vol. II Chapter 4.

which will be utilized both in road maintenance and construction elsewhere. An important part of this programme will be evaluation of results—in terms of vehicle operating savings, induced agricultural production, maintenance savings and other benefits—to determine the accuracy of the feasibility work on which construction is based. The newly-expanded Comworks Planning Unit will be responsible for evaluation and should, through this exercise, develop the capacity to prepare feasibility studies of its own for feeder roads in the remaining districts in Tanzania.

It should be noted that the Interministerial Road Committee proposed in the Plan has now been created and has been particularly concerned with priorities in feeder road construction. Early in the 1970/71 fiscal year, it will analyse all road feasibility studies undertaken in Tanzania over the past five years so as to recommend a standard methodology for the evaluation or road projects throughout the country. This will help build domestic capacity for this important and expensive work carried out here-to-fore largely by foreign consultants.

The allocation for the Tan-Zam road is slightly lower than planned, reflecting the construction pace experienced in 1969/70. Once again, a number of road projects remain delayed by the absence of external or in some cases, local finance, and have had to be carried forward to 1971/72. Other projects have been dropped because they are not necessary, e.g., the Rwanda link road would be unnecessary if the projected train ferry is installed. Likewise, the Liganga access road awaits demonstration of the economic feasibility of steel production there. Most additional items are carry-overs from 1969/70—an exception is the need to purchase a new Regezi ferry. At Dar es Salaam Airport, given the availability of certain unexpected technical assistance funds and the need for an overall plan for development of this important airport, it has been decided to have consultants prepare a long-term Master Plan. Work is presently underway.

However, the main unplanned, addition to this programme is the Tanga fertilizer plant jetty, which has to be operational by mid 1971. The total cost of this jetty is about Shs. 40 million, of which Shs. 26 million is included in the 1970/71 estimates.

(b) Other Comworks Programmes—Dar es Salaam/Mtwara Coastal Shipping Service:

The consultants report has been approved and this project is now being implemented. A Project Director for the Shipping Service has been obtained through technical assistance, and an order for a suitable vessel will be placed shortly. It is expected that the new service will become operational towards the end of the 1970/71 fiscal year.

TANZANIA/ZAMBIA RAILWAY

This 1,900 kilometre rail link continues to be an economic necessity—both as a means of providing Zambia with controlled access to the north for her exports and imports and as a means of encouraging the development of the mineral deposits and the agricultural potential of Southern Tanzania. The first stage—preliminary and engineering survey—is now complete. The second stage—design and standards is underway. Construction bases and materials are now being readied so that the project can be completed on schedule. Local employment on this project now exceeds 1,000.

(c) Staffing:

It is clear from the above that the major constraint in this sector is not so much financial as human—lack of manpower at all levels—planning, administrative, technical and supervisory. Even some of the delays in external financing can be traced to the extreme scarcity of manpower for project planning. In accordance with the stated objective of increasing planning expertise, additional personnel have been recruited to the Comworks Planning Unit and will commence their duties early in the 1970/71 fiscal year. Staffing requirements are also being investigated at all levels and attempts are being made to satisfy same.

EAST AFRICAN CORPORATIONS AND COMMUNITY SERVICES

The capital expenditure of these corporations in Tanzania is an important element in the transport and communications programme, amounting in 1970 to about Shs. 135 million (excluding E.A. Airways) or around 37 per cent of expenditure in this sector. Details are given in Appendix Table. The investment programmes of all three principal corporations—the Railways, Harbours and Posts and Telecommunications are financed by the World Bank, which provides 60–65 per cent of the total cost of the programmes.

The expansion and improvement programmes of all these corporations are proceedin generally as described in Vol. I of the Second Five-Year Plan, pp. 112 et seq. The *Eas African Railways* have postponed slightly the purchase of a boat to replace the "LIEMBA" and the funds thus released are being used in part to accelerate the programem of improve ments to the railway lines. 1971 will also see heavy expenditure on dieselization Continuing financial difficulties have prompted the appointment of a Railway Economi Committee which will report during the 1970/71 fiscal year.

Work by the *E.A. Harbours Corporation* on the construction of the five deep-wate berths at Dar es Salaam Harbour is well advanced. Berths numbers 4 and 5 are expecte to be completed in August, 1970, while berth No. 6 is due in December, 1970 and berth Nos. 7 and 8 in 1971/72. These berths are estimated to cost Shs. 151 million upon the completion. The Corporation plans to spend 21,600,000 to complete the Mjimwema Sing Point Mooring Buoy project. Out of this sum, Shs. 1·7 million is allocated for the feasibilit study. The bouy will encourage the use of oil tankers up-to 100,000 tons as compared wit the present facilities that can serve only 18,000 ton smaller oil tankers, thus reducing the co of the transportation of oil. This project is scheduled for completion by the end of 197 The clearance of Dar es Salaam lighterage area and Dhow Wharf, the other major project, also scheduled for completion in 1972, as is the survey of the harbour entrance. Traffic goods exported and imported through the ports of Tanzania have increased sharply over th past two years. This increase had greatly strained the capabilities of the Dar es Salaam Por Most of the E.A. Harbours projects in Tanzania are concentrated in Dar es Salaam so as t provide facilities that can handle the traffic. The trend in the goods traffic handled by th ports in Tanzania is given in Appendix Tables 51 and 52.

Other than the purchase of a 5th Super VC.10 which was delivered to the *E.A. Airway Corporation* last year, there is expected to be additional investment in a number of DC-9-3 short-range jects to replace the Comet during the 2nd Five-Year Plan period. The Corpor tion plans also to invest in an air terminal, and a small hangar at the Dar es Salaam Airpor This project is expected to begin shortly and be completed in 1971.

The major projects that are planned for Tanzania during the 1968/71 *E.A.P. & Corporation's* Development Programme consists of installing exchanges, trunk routes, trun equipment subscriber network, Telegraphs and other works. This programme is proceedi as planned, as is that of the E.A. Meteorological Department and the Directorate of Ci Aviation.

East African Community and Zambia International Shipping

(a) *Eastern African National Shipping Lines*

The Eastern African National Shipping Line, which was created in 1966 by the gover ments of Tanzania, Kenya, Uganda and Zambia, owns and operates a fleet of four dry car ships with combined tonnage of just under 40,000 tons. The fourth of these vessels, t M.V. Ujamaa, registered in Tanzania, was commissioned in Dar es Salaam by Preside Nyerere in March, 1970. Latest figures indicate that these vessels, along with other shi chartered by EANSL, now carry approximately 10 per cent of the trade between East Afr and U.K./Europe. The Line expects to enter the Far East Trade early in the 1970/71 fis year.

The Line is now actively engaged in a training programme for African management a crews. Future investments of the Line are currently under discussion by the Board of Dir tors of the Line and it is anticipated that a long-term development plan will be presented the near future.

From its inception in 1966, the Line has consistently shown a small profit and has be regularly amortizing its investment in dry cargo ships. However, for several months late 1969 and early 1970, the Line suffered severe financial losses attributable primarily to t present of intense competition in the European trade, the high rate of interest payable a Deutsch Mark loan (after revoluation) and the high cost incurred as a result of port dela In recent months, the situation has improved considerably but the underlying difficulties s remain.

Table 51

Item	Unit	Dar es Salaam						Tanga						Mtwara			
		1962	1965	1966	1967	1968	1969	1962	1965	1966	1967	1968	1969	1962	1965	1966	1967
Total number of ships ...	number	1,007	1,032	1,012	1,011	1,033	1,028	545	526	528	571	520	505	259	205	176	178
Net registered tonnage ...	'000 tons	3,504	3,514	3,624	3,802	3,635	3,571	1,820	1,935	1,947	1,972	1,906	1,844	726	496	501	567
Total passengers[2] ...	number	32,997	33,229	36,268	36,483	33,140	29,637	2,829	1,263	798	983	1,798	625	4,440	3,079	2,190	2,940
Cargo handled :—																	
Imports [2,3] ...	'000 dead-weight tons (3)	587	601	922	1,179	1,335	1,407	59	39	60	72	67	55	34	32	37	45
Exports[3] ...	'000 dead-weight tons (3)	267	304	453	714	793	861	158	172	169	184	180	179	84	94	93	101
Total [4] ...	'000 dead-weight tons (3)	865	922	1,388	1,909	2,148	2,268	218	211	230	256	247	234	122	131	131	156

Sources.—E.A. Harbours Corporation.

(1)The figures prior to 1968 are in deadweight imperial tons; from 1968 onwards they are shown in deadweight metric tons.

(2)Includes both passengers embarked and disembarked.

(3)Includes bulk cargoes (oil and cement), but excludes transhipment.

(4)Includes Import and Export transhipment.

Table 51

SHIPPING STATISTICS

Item	Unit	Dar es Salaam						Tanga						Mtwara						Total					
		1962	1965	1966	1967	1968	1969	1962	1965	1966	1967	1968	1969	1962	1965	1966	1967	1968	1969	1962	1965	1966	1967	1968	1969
Total number of ships ...	number	1,007	1,032	1,012	1,011	1,033	1,028	545	526	528	571	520	505	259	205	176	178	195	171	1,811	1,763	1,716	1,760	1,748	1,704
Net registered tonnage ...	'000 tons	3,504	3,514	3,624	3,802	3,635	3,571	1,820	1,935	1,947	1,972	1,906	1,844	726	496	501	567	633	536	6,047	5,945	6,072	6,341	6,174	5,951
Total passengers[2] ...	number	32,997	33,229	36,268	36,483	33,140	29,637	2,829	1,263	708	983	1,798	625	4,440	3,079	2,190	2,940	2,116	507	40,226	37,571	39,256	40,406	37,054	30,769
Cargo handled:—																									
Imports ([3]) ...	'000 dead-weight tons ([1])	587	601	922	1,179	1,335	1,407	59	39	60	72	67	55	34	32	37	45	47	44	680	672	1,019	1,296	1,449	1,506
Exports[3]	'000 dead-weight tons ([1])	267	304	453	714	793	861	158	172	169	184	180	179	84	94	93	108	126	107	509	570	715	1,006	1,099	1,147
Total ([4])	'000 dead-weight tons ([1])	865	922	1,388	1,909	2,148	2,268	218	211	230	256	247	234	122	131	131	156	174	152	1,205	1,264	1,749	2,321	2,562	2,654

Sources.—E.A. Harbours Corporation.

([1])The figures prior to 1968 are in deadweight imperial tons; from 1968 onwards they are shown in deadweight metric tons.

([2])Includes both passengers embarked and disembarked.

([3])Includes bulk cargoes (oil and cement), but excludes transhipment.

([4])Includes Import and Export transhipment.

(b) *Intergovernmental Standing Committee on Shipping (ISCOS)*

This committee of officials of the governments of Tanzania, Kenya, Uganda and Zambia was established in 1967 to deal with questions of international shipping of concern to the four nations. ISCOS has been instrumental in preventing unilateral increases in freight rates by the American, the U.K./Europe and Far Eastern Conference Lines.

Through negotiations with all the Shipping Lines—Conference and non-Conference—in the U.K./Europe trade, ISCOS hopes that it will be possible to introduce a formula for freight rate setting to minimize rates and institutionalize the government's role in rate setting. ISCOS intends to commission research in depth to provide data which will assist in minimizing shipping costs by increasing capacity utilization and improving efficiency. Terms of reference for this study are currently under consideration by ISCOS.

3. WATER AND POWER DEVELOPMENT

Urban Water Supply and Drainage

The overall objective of the Water and Dainage Division of Landsurvey in the Five-Year Plan 1969/74 is to concentrate its development services to the nine major towns and in Dar es Salaam both in respect of Urban Water Supply and sewerage and drainage. In the remaining areas the policy will be to maintain the existing standard of service and, where necessary, to introduce improvements and extensions. In the first year of the Current Plan, the Division's implementation programme is expected to be completed on schedule and funds allocated for the year of Shs. 18,200,000 will be fully utilized. New reservoirs have been undertaken at Arusha and Mwanza, while a treatment plant for Dar es Salaam has been extended. In addition to these major works smaller water works have been undertaken and completed in various locations scattered all over the country.

While the Division has faced no major obstacles in the implementation of its capital programme, it faces a critical operational problem in most towns because of lack of spare capacity to act as a stand-by in case of emergency. One more problem is the slow procedure of procuring materials and equipment. The existing system leads to long delays sometimes amounting to six months before equipment is delivered, thus greatly impending implementation of the Division's programme. Furthermore because of this delay it has not infrequently happened that by the time the equipment is delivered, prices have considerably risen.

The programme for 1970/71 remains unaltered from that shown in Volume II of the Plan. One significant project to be undertaken is the Lower Ruvu Water Scheme designed to increase water supply for Dar es Salaam. Allocation of Shs. 5 million is made for 1970/71 being a part of Shs. 32 million allocated to the project. It is also expected to do more work in Urban Water Supplies and Drainage, the allocation for which is Shs. 20·9 million in 1970/71. Thus development programme 1970/71 will be geared to coping with the problem of water supply to the increasing population of the urban areas.

Power:

The basic Power development programme remains generally as stated in the Second Five-Year Plan. The programme for 1969/70 is expected to be completed on schedule. The programme mainly consists of improving and extending existing electricity supply. New generating sets were installed at Mtwara, Nachingwea, Mbeya, Dodoma, Tabora, Ubungo and Mwanza, The Feasibility studies have been concluded for Njombe, Mafia, Nansio, Masasi, Marangu and Himo and construction work on some of the sites is expected in the near future. Feasibility work on Hale/Nyumba ya Mungu and Gonja have been completed and report is being awaited. Construction of the access road to the 200 mw. power plant at Kidatu is underway. Discussions are still going on in respect of the Kiwira project and a feasibility study is expected to be undertaken during the year.

The programme for 1970/71 is estimated to cost about Shs. 66·26 million. It is dominated by the Kidatu project and also allows for extending and improving existing power generating plants. No new major project will be started during the year. The expenditure is likely to be lower than originally estimated in Vol. II of the Plan mainly because of delays in the Kidatu project and postponement of the start of the Kiwira project.

Rural Electrification:

A preliminary Report on Rural Electrification is still under discussion. Already the electrification of some small townships e.g. Himo and Marangu has been found viable and implementation recommended, but the initial conclusion was that generally rural electrification would have to be justified on other than commercial ground. The coverage of the study was limited and more detailed work will be done in 1970/71. Since the introduction of electricity is aimed at stimulating economic activities in the rural areas, the success or failure of the policy hinges on the economic criteria. Arrangements, are under way therefore, to obtain the necessary expertise to carry out a study to determine both the technical and economic aspects of rural electrification. Subject to the outcome of the feasibility report it hoped a start will be made in 1971/72.

RURAL WATER SUPPLY DEVELOPMENT

The development of rural water supplies has been given high priority in the current Five-Year Plan. For the financial year ending June 30th the Water Development and Irrigation Division had originally been allocated Shs. 20,125,000 for development works. Later on the budget was revised and actual expenditure for the year is likely to be Shs. 15,000,000 and the balance is likely to be carried into the next financial year. Implementation of the Programme is satisfactory.

Although the Division has satisfactorily increased the construction programme for rural water supplies—work worth Shs. 10 million, 13 million in 1967/68 and 1968/69 respectively was achieved—there are difficulties which cause delay in implementation. Firstly, *procurement of materials*: yearly expenditure on the purchase of materials—pumps; engines, pipes and other construction materials—is about Shs. 3·6 million. The purchase of such equipment is under strict regulations which do not allow quick purchase and delivery. Secondly, the increased construction programme demands increased number of *plant and transport* units. Even though replacement of the units is done continually, the limitation of funds and the relatively long delivery-period mean that W.D. & I.D. remains short of them. It is felt that W.D. & I.D. should be allowed to utilize local contractors for transport when temporary needs occur. Thirdly, the need for *skilled labour* continues to rise as the programme increases. Skilled labour is not only required for construction of new projects but also for running and maintainance of these works. The Division is experiencing keen competition from companies which offer better terms. There is need, therefore, for measures to be taken which will make it possible for W.D. & I.D. to obtain and to keep skilled staff in direct competition with private companies.

Programme for 1970/71: In the estimates of expenditure for the next financial year Shs. 23,100,000 are allocated for rural water supply development. Major activities will be to increase the production capacity of the Division and to further increase and expand rural water supplies. Arrangements are also in hand to carry out a hydrogrological mapping project designed to explore the location of ground water resources of the different rock formation and to identify the bearing strata, depth, quantity of useable water for domestic, stock and industrial use and other uses in the rural areas. This will enable the Division to supply these areas with suitable water in the most economical way. In addition to this W.D. and I.D. programme, Maendeleo remains responsible for shallow wells and certain maintenance in rural areas.

IRRIGATION

The General objectives of irrigation development remain as outlined in Volume I of the Second Five-Year Plan. In 1969/70 the development programme of irrigation works was dominated by Mbarali and Kahe Schemes. At Kahe, total area to be developed is about 10,000 acres of which 1,100 acres have been surveyed and developed and are now under irrigation. Mbarali Scheme covers about 11,500 acres. A total area of 3,500 acres has been developed and is under irrigation. The development of the remaining area will take place in the 1970/71 financial year. In addition to these, survey work has been completed in various potential locations for future irrigation—the area of which is about 35,000 acres, located at Mombo, Njia Panda, Kanjunguti, Kilangali and Pangani, etc. The implementation of the programme is fairly satisfactory. However, it is felt that there has been lack of integrated planning between agrictultural aspects and irrigation planning which has been a cause of delay in planning and execution of irrigation schemes.

The programme for 1970/71 is expected to be more or less as planned in Volume II of the Plan. Further expansion of survey, design and construction work is to be carried out at Njia Panda, Kanjunguti, Dakaya and at Kilangali and other small irrigation works at various locations.

River Basin Planning

Since its establishments the *National Water Resources Council* had undertaken directly, or indirectly through executing Agencies, long range planning work designed to explore the main water resources in the country. Among those in which preliminary work has been done is the Stiegler's Gorge, Kagera, Wami and (lower) Ruvu river basins. In this programme the Council works with the *Water Development and Irrigation Division* of the Ministry of Agriculture. The programme so far covered is merely preliminary and more detailed work is to be undertaken. Stiegler's Gorge and Kagera river are to be studied further. In the Wami river flood Control is to be looked into more closely.

4. TRADE AND COMMERCE

The organization of Trade and Commerce in Tanzania has undergone significant structural changes during 1969, with the emergence of The State Trade Corporation as adominant institution in the field. The State Trading Corporation share of the employment in the non-financial portion of the sector grew from some 9·3 per cent in 1968 to 13 per cent in 1969.

Since 1967 the organization of Tanzania's import trade has been steadilly altered. A system of import confinements has been developed and any goods confined to S.T.C. can only be imported by the corporation or imported under license to S.T.C. By mid-1969 S.T.C. had 103 items confimed to it (as compared with 30 in mid 1968); the initial confinements have tended to be concentrated in goods requiring little technical know-how or servicing. Thus, in 1969 S.T.C. confinement accounted for 73 per cent of beverage imports yet only 11 per cent of machinery and transport imports. Thus for S.T.C. has dealt with these more complex imports by assigning license for their importation e.g. hardware and tools and business machines, to established importers.

S.T.C.'s growth since 1967 has been impressive: over 30 per cent of all imports (by value) entering Tanzania do so under S.T.C. confinement and by the early 1970's it is expected that over 70 per cent of Tanzania's imports will so enter (see Appendix Table—). As well, S.T.C.' Export Marketing Division accounted for 8·4 per cent of Tanzania's exports in 1969 as compared with 5·5 per cent for 1967/68. These exports were agricultural products, over half of the division's exports being accounted for by raw cotton and non-roasted coffee alone (see Appendix Table). Besides S.T.C. the National Agricultural Products Board and the various agricultural marketing boards are also responsible for selling the majority of Tanzania's agricultural products. The basic difference between S.T.C. and these other bodies is that S.T.C. has concentrated on selling c.i.f., whereas the others sell their products at local auctions.

Besides being responsible for external trade, S.T.C. is expected to provide an internal network for the distribution of Tanzanian and imported goods. In 1969, in addition to the Dar es Salaam head office, over ten branches were in operation at Tahga, Moshi, Arusha, Bukoba, Mwanza, Songea, Mbeya, Iringa, Mtwara and Lindi. As well, by the end of June 1970 branches will be added in Dodoma, Tabora, and Shinyanga and by September 1970 Morogoro, Musoma, Singida and Kigoma will have new S.T.C. branches, the last to specialize in the export of goods (esp. agricultural implements) to Ruanda and Burundi. The growth of S.T.C. personnel has not been as rapid as the growth of S.T.C. business; for example, the value of S.T.C.'s imports per employee rose 23 per cent over 1969 as the corporation obviously reaped gains in employee efficiency. On the other hand, the shortage of experienced manpower limited S.T.C.'s expansion over 1969—in particular it meant postponing the opening of several branches until mid-1970. Some divisions (e.g. Export Marketing Division and Shipping Agencies and Port Services Division) operated under considerable strain. Besides personnel, adequate warehousing has been a major bottleneck to S.T.C. expansion; to deal with this problem the corporation has embarked on extensive buying and renting programme for warehouse. In Dar es Salaam alone, in 1969, over 33,000 sq. ft. of warehouse space was added.

Initially it was hoped that S.T.C.'s position of being able to consolidate its orders would allow it access to significant supplier's discounts. However, it was soon discovered that the Tanzanian market is so small relative to the scale of operations of foreign suppliers that few economies of bulk purchase could be gained. In some lines of goods, for example canned milk, where Tanzania provided a moderately large market S.T.C. was able to hold milk prices relatively constant in 1969, where previous years usually saw a rise of approximately 7 per cent. Overall, though, the hoped—for economies of large orders has not accrued to S.T.C. although the basic aim of confirements has been achieved. The major economies achieved by S.T.C. have sprung from its growth of equipment, thus higher levels of activities have been achieved at lower per unit operating costs and clearly some economies of scale have been gained. However, during 1969 S.T.C. significantly added to its stock of lands and buildings at a rate in excess of the growth of operations in anticipation of its increasing commitment to internal trade; presumably the pay-off from these investments will be forthcoming in the next few years. To further reduce overheads, S.T.C. has just effected an administrative re-organization which has condensed four trading divisions into two and a system of centralized branch reporting has been instituted which helps to streamline the flow of information and centralizes S.T.C.'s accounting functions.

One important factor affecting the growth of S.T.C. is the distribution of goods manufactured in Tanzania! In two recent industrial projects (General Tyres and Releigh Bicycle) the distribution was were taken up by the manufacturers since that the marketing aspects of their product could not be divorced from the production side. It now seems clear that manufacturers may well handle their own distribution; this obviously has implications for S.T.C.'s role in internal trade and distribution.

In general there were no significant shifts in the directions of Tanzanian exports from 1968. The U.K. share rose slightly to approximately one—quarter but of course, this is significantly below the U.K.'s (relative) share of the early 1960's. India, North America, the European socialist countries and China also augmented their share of Tanzania's exports whereas the relative importance of our exports to Hong Kong, Japan, the European Economic Community and other Sterling Area (excluding U.K.) declined. (See Appendix Table 13).

In 1968 the Export Promotion Bureau was established in the Ministry of Commerce since; its formation most of its efforts have been centred on trade promotion vis-a-vis Tanzania's neighbouring countries. In 1969 as in former years. Tanzania continued to run sizeable export surpluses with Zambia, Congo Kinshasa, Burundi, Rwanda and Somalia. It should be noted that the sizable export surplus to Zambia declined significantly from the 1968 high of 144 million shillings to a 1969 level of 102 million shillings, (see Appendix Table 20). In large part transport links with Zambia continues to be a major source of worry to Tanzanian exporters as Zambian goods in transit are given first preference by Zambia-Tanzania Road Services vehicles and domestic exporters cannot always be assured of adequate transport to Zambian markets. This problem is further compound in the case of exporters of small quantities of goods who find the transport costs formidable. It should also be noted that the present regulations governing customs remission on the imported portion of Tanzanian exports is quite stringent and cases have been encountered where local exporters have given up attempts to exports to Zambia because of the Complicated administrative procedures needed to obtain duty remission.

Since 1966 the growth of the Zambia transit trade through Dar es Salaam has been quite dramatic. In 1969 alone, Zambian import tonnage in transit through Dar es Salaam grew 25 per cent. (See Appendix Table 52). In particular, since 1967 Zambian copper has accounted for over one half of Dar es Salaam harbour's outgoing volume and total Zambia transit trade accounts for approximately one-third of total Dar es Salaam harbour volume (excluding petroleum products).

A 1969 breakdown of Tanzania's imports either by commodity or by sources does not appear to significantly different from that of 1968. It would appear, in general that Tanzania's import substitution policy has begun to bear fruit, particularly as evidenced by the decline in the imports of cheaper types of textiles. It is interesting to note the despite the specific imports licenced assigned to Japanese imports (in conformity with Article 35 of Gatt) to alleviate the sizeable balance of trade deficit which have characterized Japan—Tanzania Trade, Japan's shares of Tanzania's imports rose, while Tanzania's export to Japan fell. In absolute value Tanzania imports fell by over Shs. 100 million in 1969 and the relative

shares of U.K., Hong Kong, C.M.E.A. and the EEC countries declined slightly. (See Appendix Table 16). The Government intention to shift to China as a source of imports does not yet show itself in the 1969 data but it is expected that by 1970 this transfer of trade will be apparent, particularly in certain product lines (e.g. S.T.C.'s Groceries and General Marchandise Division).

11. In 1967 the Transfer Tax (a limited inter-state tariff within the East African Community) was imposed by Tanzania on approximately forty items originating in Kenya and/or Uganda. It is difficult to assess the impact of the transfer tax as not enough information is yet available regarding Tanzanian producers' response to this stimulus, moreover it is difficult to isolate the effect of the imposition of the transfer tax from the removal of quantitative import restrictions which previously existed against both Kenya and Uganda. Also it is difficult to judge how much factory expansion was planned prior to the imposition of the tax. It does seem quite clear, though, that despite the continuing overall deficit in visible trade sustained by Tanzania with-Kenya and Uganda, some Tanzanian products have fared well since the imposition of the tax. In particular, the position of Tanzania's biscuit industry has changed from a deficit to Kenya and Uganda in 1966 and 1967, the years without the transfer tax, to an eventual surplus in 1969. It should be noted, though that the overall efficiency of this industry should not be exaggerated as biscuit prices in Tanzania have tended to remain quite high. Similarly deficit situation in the category "clothing and acceessories of textile-fabric knitted or crocheted" was turned into surplus balance in 1968 and 1969. In the case of matches and perfumery, Tanzania's deficit position vis-a-vis Uganda and Kenya strengthened while in the case of soap, soap powder and detergents Tanzania's deficit position has significantly worsened after the imposition of the transfer tax. It is evident that there have been few starting improvements in Tanzanian manufactures wholly induced by the transfer tax; perhaps it is too early to attempt to assess the impact of the tax. It is clear, however, that these aspects of Tanzania's economic relations with the East African Community warrant careful study.

5. MANUFACTURING SECTOR

Overall Trends

In 1969, the net value of output at current prices in the manufacturing sector rose by 15 per cent over 1968—thus continuing the consistent increase in such output experienced in Tanzania over the past several years. As a proportion of total G.D.P., the 1969 figure was 7·6 per cent compared with 7·0 per cent in 1968 and 6·9 per cent in 1967—in other words, as a proportion of total output, the manufacturing sector is steadily increasing in importance. In constant prices net output at factor cost in the manufacturing sector increased by 13 per cent in 1969 over 1968—the same as the plan projection—as compared with a decrease in agriculture output of 0·6 per cent and a decrease in mining of 1·5 per cent. Overall progress in this sector was thus satisfactory.

By commodity groups, textiles registered the largest increase in output in physical term increasing by 60 per cent over the 1968 figure. This is accounted for in part by the coming into production in June of 1969 of the Mwanza Textile Mills. Garment output rose by 7·2 per cent, sisal twine by 12·0 per cent, paints by 11·1 per cent, beer (including chibuku) by 6·3 per cent and cigarettes by 9·3 per cent. On the other hand, pertroleum refinery output fell by 7 per cent because of the intake of lower quality crudes and damage to the pipeline, and matches fell by about 20 per cent because of increased competition from imports. Output of smoking pipes fell by about 12 per cent.

Based on information up to the end of 1968, the industries within the manufacturing sector making the largest contribution to G.D.P. are mainly consumer goods industries, namely, food processing (Shs. 105 mn.), and textiles (Shs. 62 mn.). Next in importance are chemicals, petroleum and rubber (Shs. 64 mn.). Other industries were of relatively minor importance. While it is not possible at this point to obtain an accurate picture of the net operating profits of the manufacturing sector as a whole for 1969, in 1968, such profits were around 120 million Shs., of which the parastatals share (Shs. 35·6 million) was somewhat lower than their share of investment or output. Based on a sample of returns from manufacturing conerns in which N.D.C. has financial interests, some companies such as Tanzania Breweries, Tanzania Portland Cement, B.A.T. and Tanganyika Packers have done well in 1969 (for example, Tanzania Breweries profits rose from Shs. 11·2 million in 1968 to Shs. 15·0 million in 1969). Other companies have taken severe losses (e.g., Mwanza Textiles took a loss of Shs. 7·7 million and Tancut lost Shs. 3·7 million).

Other indices of the performance of this sector are broadly consistent with the above trends. Industrial demand for electricity rose to 23 per cent, particularly that by smaller conerns. Total wage employment in the manufacturing sector increased by about 14 per cent in 1969, about the same percentage increase as value added. As a percentage of total wage employment in the non-agricultural sectors, the manufacturing sector increased its share from 14·5 per cent in 1968 to 16 per cent in 1969. That total annual wage bill in the manufacturing sector also increased by about 14 per cent, leaving the average wage in 1969 (333 Shs./month) still well above the average in the economy (312 Shs./month). There is very little reliable information on investment trends in the sector in 1969, but it appears that the growth in installations of new plant and equipment was considerably slower in 1969 than in 1967 and 1968. The large growth in commercial bank credit to the sector (42 per cent in 1969 over 1968) is less easy to explain, but may be the result of re-financing of suppliers' credits and a large growth in stocks during the year.

As in the recent past, 95 per cent of manufacturing output was sold locally in 1969 (although a significant proportion went into stocks because of difficulties in matching output and sales, as in textiles) and 5 per cent exported—about half of which was to the rest of East Africa and half to the rest of the world, of the latter, almost 70 per cent represents sisal twine sold to North America. Whereas overall exports of manufactured goods rose only 7 per cent, imports rose 23 per cent, so no progress was made overall in import substitution during the year. However, imports from the rest of East Africa fell by 13 per cent, mainly because of import substitution in textiles.

The Main Institutions

While the major investments in the manufacturing sector are the responsibility of the National Development Corporation (N.D.C.) smaller projects are handled by Tanzania Development Finance Co. (TDFL), Industrial Promotion Services (IPS), the National Small Industries Corporation (N.S.I.C.), the Workers Development Corporation (WDC) and the Co-operatives.

At the end of 1969, T.D.F.L. was participating financially in 30 continuing projects, most of which were in the manufacturing sector, and the year was the best yet for the company. During the year, they made commitments for 7 new projects and existing companies such as Tasini Textiles and Simba Plastics showed good profits. Although two of their companies (Imara Plywood and Kibo Paper Industries) ceased operations during the year, it is hoped that these will be started up again under new management. T.D.F.L. expects to obtain additional finance in the near future for expanding its operations and has 20 new projects under investigation.

The I.P.S., like the T.D.F.L. attempts to marry foreign and local capital and expertise in small industrial ventures. In the manufacturing field, their companies produce consumer goods such as garments, textiles, shoes, soap and school uniforms. The last two years have been a period of consolidation for the company after a period of rapid initial expansion. Sales in 1969 from their manufacturing companies dropped as a result of poor crop years in various parts of the country. Nevertheless the company is planning to embark on a considerable investment programme during 1970/71.

As mentioned previously, N.D.C. companies in the manufacturing sector has a mixed performance during 1969. New equipment was installed in some of the plants which caused some disruptions in output (e.g. Mtwara Cashew Company). The Tanganyika Extract Company experienced difficulties in obtaining sufficient quantities of input (pyrethrum flowers) and the textile mills have experienced some difficulties because of over production of certain products and the reorganization of distribution. Future demand may pose problems for the Metal Box Co. and Tancut. Nonetheless, the outlook for Coastal Dairies Industries Ltd. and Tanzania Tanneries Co. which came into production late in 1969 is good and as already mentioned, B.A.T., Tanzania Breweries and Wazo Hill had good years and future prospects are bright. The year 1970/71 promises to be a busy one for the N.D.C. in this sector during which it is forecast that a record total of 222 million shillings will be spent on manufacturing projects in which the N.D.C. has a financial interest. The Government contribution will be about Shs. 63 million. These investment expenditures will be concentrated on three major projects—the Tanzania Fetilizer Company (90·0 mn.), General Tyres E.A. (48·0 mn.) and Kenaf Fibre (30·0 mn.) which together account for about 80 per cent of the total. The remainder will be spread over 18 projects such as the manufacturing of bags, bicycles, electric cables, shoes and batteries.

There are a number of planning problems in this sector which will be tackled over the coming year. First, forward project preparation needs to be improved, within the context of a deliberate strategy, so that we can move ahead in the industrial sector without incurring avoidable high-cost, low efficiency production, with corresponding burdens on the balance of payments. Project decisions, moreover, need to be made in the context of better knowledge than we have today of the level of effective protection, and of the effect of the various licencing and control procedures. Secondly, industrial growth and especially export growth, comes as much from the growth in efficiency of existing enterprises as from new ones, and thus warrants equal planning effort. Thirdly, the full potential for growth and employment through small and medium-scale industry is not yet being fully realized because of gaps in institutional support. Research into all these problems will be undertaken during 1970/71, with support, in some instances, from parallel research being undertaken for the East Africa Community Secretariat.

6. Mining

During 1969, the value of Tanzania's mineral production at 200·5 million shillings increased sharply from the 1968 figure of 163·5 million thereby reversing the unwelcome down ward movement of that year. Optimism for the future must be tempered, however, by the expected cessation sometime in the late 1970's of the diamond mining operations of Williamson's which for some years have accounted for over 90 per cent of Tanzania's mineral exports, and about 90 per cent of the value of mineral output. Because of this, the major objective throughout the remainder of the Second Plan period will be to achieve a major breakthrough in the mining sector involving both the development of known deposits and the uncovering of new mining possibilities.

Increased diamond exports rising from 135·4 million shillings in 1968 to 177·5 million in 1969 accounted for the rise in the value of mineral production. The proportion of small diamonds recovered increased, however, resulting in a drop in the average value per carat of about 3 per cent. At Mwadui, the principal mine, a record tonnage was mined and treated (3·4 million tons) resulting in the recovery of 731,294 metric carats—27 per cent above expectations. The grade of ore mined also improved (21·5 metric caratston compared with 20·1 in 1968) and sampling during the year added a significant tonnage to reserves. Dividends from Williamson's continued to make a substantial contribution to the surpluses of the National Development Corporation in 1969 (about 20 million shillings)—a similar figure is expected in 1970.

Salt replaced gold as the second most important contributor to mineral production in 1969 with an output valued at 7·5 million shillings. The country's main salt producer, the Nyanza Salt Mines at Uvinza, produced 24,830 metric tons, about half of which was exported to the surrounding countries of Ruanda, Burundi, Congo and Zambia. The Government is currently considering a major expansion of the operations of this company in view of market possibilities. In fact, the company imported salt from India during the year to meet demand.

Although weather conditions hindered operations during the first half of the year, the coastal salt works produced about 9,000 tons for local consumption and extended their productive capacity.

Gold exports fell slightly during the year (from 4·8 million shillings in 1968 to 4·7 million in 1969) but the principal mine at Buhemba which operated at a loss in 1969 is now closing down operations. Williamson Diamonds Ltd., the owners of the Buhemba mine, are currently moving equipment from this mine to undertake further development work on the Buck Reef gold prospect in Geita District at the request of the Commissioner for Mineral Resources in the hope that gold mining operations in that part of the country will not come to an end.

The value of gemstones exported increased slightly from 2·8 million shillings in 1968 to 2·9 million in 1969 although the quantity exported fell sharply—from 820 kilograms in 1968 to 513 kilograms in 1969. Although the gem Tanzanite attracted wide attention, rubies and sapphires accounted for the major part of gemstone mineral exports (1·9 million shillings *vs.* 0·4 million for Tanzanite). The Government remains concerned about illicit dealings in gemstones and is considering further measures to protect and develop the gemstone industry. In this connection, the Gemstone Industry Advisory Board was established during the year to consider matters affecting the industry.

The value of tin exports in 1969 fell sharply from the 1968 figure of 6·9 million shillings to 2·3 million. This is accounted for by the difficulties of the main producer, Kyerwa Syndicate Ltd., and a reduction in smuggling from surrounding countries. Kyerwa was taken over in November 1969 and it is expected that the new management will run the mining operations more efficiently than their predeccessors.

Various small mining concerns and mining co-operatives continued to operate during the year although some experienced considerable difficulty because of theft, smuggling, poor mana gement and poor mining practices. These matters are of concern to the Government in view of its desire to develop local skills and participation in the mining industry. A review of the problems of and possibilities for small mining ventures in Tanzania will be undertaken during the forthcoming year with a view to bringing present practice more closely into line with Government policy.

Prospecting during 1969 failed to uncover major deposits of commercial importance. Small miners and individuals were actively engaged in gemstone prospecting in northern Tanzania. Williamson's continued their search for diamonds and although two kimberlite pipes were found they were not of commercial importance. They also looked for other minerals such as copper and nickel in other parts of the country without success. The Mineral Resources Division were also unsuccessful in locating major finds although they examined a copper prospect in Chunya, a gold prospect on Kikamba River, a magnesite property in the Pare Mountains and began a detailed study of Tanzanite deposits. Oil exploration was undertaken by the Tanzania Petroleum Development Corporation. Agip, who act as contractors for the Corporation, undertook a computerized seismic survey of the thick coastal sedimentary belt in the offshore areas. Their work will continue in the next stage with a geological examination of coastal land and shallow water areas. While it is too early to establish definitely whether or not oil in commercial quantities exists in the coastal areas, numerous rock formations which may be oil traps have been located.

During the forthcoming year, the Mineral Resources Division plans to undertake economic geology work on the gypsum deposits in Pare, bentonite in the Mbulu District, bauxite in the Usambara beach sands on the coast, coal in Njombe and Mbinga Districts, copper around Chunya, and nickel around Kigoma. The Russian team, expected to be at full strength by the middle of the year, will be investigating the Western Rift and the Lupa gold fields for copper, lead, nickel, gold and other minerals.

The process of geological mapping continued during 1969 and by the end of the year field data on another seven quarter degree sheets for compilation was available. Only a limited amount of mapping will be undertaken by the Mineral Resources Division during 1970—this will be to fill up gaps in the northern part of the country and along the proposed route of the Tanzam railway. The Russians will contribute to this work by mapping reasonably large blocks of Western Tanzania from Mpanda to Lake Rukwa. Offers to undertake further mapping are presently being considered. It is perhaps difficult for some to understand the importance of geological mapping—the opinion has been expressed that this is an acadamic exersize. What should be stressed, however, is that this type of mapping is the basis upon which further mineral development is based. Without this background information, the chances of finding deposits of economic importance are reduced. The choice to be made by government is not whether to map or not but rather how many resources should be devoted to mapping given our knowledge of existing mineral deposits which also merit further attention.

During 1970, further progress will be made on the development of known major deposits including Liganga iron ore, Pugu kaolin and Minjingu phosphates. For the Liganga iron ore deposit, a feasibility study summarizing past reports and outlining future work has recently been received and the analysis of this report with recommendations for further action is presently underway. The commercial viability of this project has yet to be established. Various reports and offers have been received concerning the Pugu kaolin deposit which will be considered and acted upon as soon as possible. A West German firm as under taken to develop the Minjingu phosphate deposit as a source of raw materials for the fertilizer factory under construction at Tanga.

As mentioned previously, the Government is attempting to achieve a major breakthrough in mining development before the diamond mining operations of Williamson's come to an end. Such a breakthrough will require time and expertise. If this can be achieved it will provide a boost for the industrial development of Tanzania and will set the basis for further

mining development without being unduly optimistic there are grounds to believe that this breakthrough can be brought about. Some of the possibilities have been noted above—others are known to exist such as Mbeya carbonatite. Lake Natron Salts, Bukoban uranium and Serengeti dawsonite. In view of the fact that less than hall of the country has been mapped at the quarter degree scale, the number of prospects already identified is considerable.

To achieve this breakthrough will require a concerted government effort. Existing vacancies in the Mineral Resources Division must be filled. A scheme of service for the professional positions has recently been approved which will help in this respect. Secondly, information on possibilities already identified must be consolidated and plans of action set down. A subcommittee on mining and minerals of the Tanzania National Scientific Research Council has recently been formed which is attempting to enlist the support of the National Development Corporation and the Mineral Resources Division in the consolidation of this information as a basis for further work. Additional expertise with knowledge of commercial possibilities and mining development is required to co-ordinate the basic geological work of the Mineral Resources Division with the business interests, of the National Development Corporation. The gap between the identification of minerals on the one hand and their actual development on the other is considerable involving risk and requiring expertise.

The Government has recently decided to close this gap by creating a special unit within Mincom. The responsibilities of this unit will be to ensure that the basic geological work initiated by the Mineral Resource Division is followed up to the stage where mining operations are brought into production. This will involve close liaison with both the Mineral Resources Division and the National Development Corporation. Primary responsibility for Tanzania's mineral development will, however, rest with this new unit. It will assist in establishing the priorities for basic geological work, will see that subsequent geological work is undertaken and will ensure that the bringing into production of viagle mining operations is done quaickly and efficiently. In its negotiations with foreign partners it will attempt to minimize the costs and maximize the benefits of mineral development from the Tanzanian point of view. To achieve this, it will attempt to negotiate exploration—mining contracts similar in principal to the Agip contract in which the foreign partner both shares in the risks of the venture and participates in any returns.

7. TOURISM

The major objective in the field of Tourism is to increase Tanzania's share in the rapidly growing world Tourism market. The Tourism programme over the next five years will aim at increasing the number of visitors from 40,000 in 1968 to 120,000 in 1973/74. The recorded numbef of visitors in 1969 to Tanzania was 52,198 an increase of 12,198 or 30·4 per cent over 1968. Assuming the annual growth rate continues at the rate of 30 per cent the 1974 figure could be projected at 145,000. To this end a substantial programme of hotel and lodge construction is being undertaken to provide adequate accommodation for the expanding number of visitors. See Appendix Table 65.

The Tanzania Tourist Corporation (T.T.C.) has been established to take over all tourist activities and to plan further an expanded programme of tourist promotion. It plans to invest over Shs. 203 million during the plan period. In the public sector, Phase I of the New Africa Hotel has been completed. Phase II is due for completion by June, 1970 which will bring the total to 148 additional beds. Mikumi and Ngongoro wildlife lodges have been completed and are now operational each with 100 beds. Extension to the latter for the provision of 50 additional beds has been started. Extension to Lake Manyara Hotel and Lobo Game lodge are expected to add another 100, and 150 additional beds respectively by June 1970. Construction on the two beach hotels to the north of the capital is well under way. Together they will provide 350 beds. It can be expected that by June, 1970 approximately 1,000 additional beds will become available in the Public sector which is only 140 beds less than projected in the phase I of the Second Five Year-Plan.

In the private sector, Africana Hotel near Dar es Salaam, Hotel Tanzanite in the northern region and Hotel Skyway in Dar es Salaam are operational with 75, 60 and 150 beds respectively. There will be another town hotel in Arusha which is now under construction with 50 beds. In the parks Tarangire National Park Hotel with 60 beds is now operational and Ikoma Fort Lodge with 100 beds will become operational by the middle of 1970. Thus the Private Sector in the first year has already passed by 100 beds the projected lower limit of 400 beds for the Plan period as a whole.

An overal increase of 29 per cent in the number of visitors to National Parks was recorded in 1969 over 1968. Ngorongoro, Lake Manyara and Serengeti have continued to draw the largest number of visitors as in the past. Visitors to Ngorongoro and Manyara have increased in number from 16,113 and 15,821 in 1965 to 44,669 and 41,864 in 1969 respectively. Significant changes in percentage of number of visitors has occured to Mikumi National Park but a modest decline between 1966 and 1969 has been recorded in the case of Ruaha.

NATIONAL PARKS STATISTICS

Annual Number of Visits to National Parks 1966–1969

Table 66

Number

National Parks	Period in years				change 1968/69 per cent
	1966	1967	1968	1969	
Serengeti	11,634	16,247	21,889	28,981	+ 32
Lake Manyara	21,718	29,267	33,898	41,864	+ 23
Arusha	6,316	8,598	10,610	11,571	+ 9
Ngorongoro(1)	23,571	25,766	33,468	44,669	+ 33
Mikumi	5,121	6,213	5,775	8,112	+ 40
Ruaha	648	527	347	565	+ 63
Total ...	69,008	86,618	105,987	135,762	+ 28

Source.—Bureau of Statistics.
(1).—Conservation area.

Construction on Kilimanjaro International Airport began on 1st November, 1969, and it is expected that the airport will be operational by end of 1971. With the completion of the airport, tourists will be able to fly straight into the Northern Region, thereby substantially reduce the cost of travel to the game parks in Manyara and Ngorongoro, instead of having to fly to Dar es Salaam and then having to travel over-land to Arusha. The Airport will also contribute substantially towards linking the "Coastal circuit" which includes Mikumi, Ruaha, Dar es Salaam, Bagamoyo, Kilwa and Zanzibar now being developed, to the "Northern Circuit". Tourists will then be able to start and end their safaris in Tanzania. It is expected that eventually the airport will also become an important centre for the export of perishables and other goods from the area.

Given this very ambitious programme of tourism expansion in our Second Plan, the Tanzania Tourist Corporation has commissioned a consulting firm to carry out economic feasibility studies and prepare the Ten years Master Plan on Tourism. The objective of the Plan is to assist the Government in making a rational allocation of financial and human resources to the tourism sector of the economy. The Study will have two main parts, the first, market Analysis, will include the determination of market potential, evaluation of market potential, evaluation of market constraints, the economic implication of the Tourism Programme and the establishment of development priorities. The Second, Technical Studies will include hotel analysis, land use planning and engineering support to assist in the determination of the costs of major projects in the ten year plan.

The East African Community is also doing planning on Tourism on an East African basis. Under the Economic consultative and Planning Council, there is a Sub-Committee on tourism Planning, which has acknowledged the need for a concerted and harmonized effort to Promote tourism on a regional basis, for the benefit of all partner States.

Tourism, like any other export industry is an important foreign exchange earner. Tourism has earned Tanzania approximately Shs. 35 million (net) in foreign exchange in 1968. Much effort is being given to reduce the import content of the programme. This together with the anticipated increase in the number of foreign visitors leads us to expect that up to Shs. 50 million (net) in foreign exchange could be earned in 1970.

8. Building and Housing

Overall Trends:

Investment in housing in 1969 rose 10 per cent over 1968 (5 per cent in constant prices) thus continuing the steady growth experienced in recent years. Residential building in monetary sector has shown a particularly sharp increased, doubling since 1966. Non-residential also grew, but not as fast as in previous years. Taking both residential and non-residential building together, these accounted for almost a third of capital formation in 1969, up from 27 per cent in 1966. This is the result of a 16 per cent annual growth investment in buildings from 1966/69; in constant prices the growth was 12 per cent. Details for 1968 and 1969 are given in Appendix Table 8.

Non-residential building:

Investment in this category amounted to Shs. 214 million in 1969. In absolute terms, most of the increase of 3·4 per cent from 1968 to 1969 took place in Central Government building, and building for Local Authorities and the East African Community. These two categories together made up well over half of non-residential construction. There was a big decline in capital formation in non-residential buildings by the parastatals, which stood at Shs. 39 million—little more than half its 1968 level. The private sector (excluding parastatals) made up about 18 per cent of the total, and showed a year-on-year growth of about 4 per cent.

Residential building:

Fixed capital formation in residential building in the monetary sector amounted to Shs. 108 million in 1969, or about one-third of investment in buildings in the money economy, but accounted for two-thirds of the absolute increase in fixed capital formation in residential buildings. The year-on-year increase over 1968 amounted to 20 per cent. About half of this was new residential building for the East African Community, the value of which almost doubled compared with 1968. Capital formation in residential buildings by Central Government and the parastatals increased more or less in line with total capital formation in buildings. The private sector accounted for about 57 per cent of residential building in the monetary economy, and the value of building for this sector showed a year-on-year increase of 8 per cent.

About 17 per cent of the value of residential building construction consisted of buildings constructed by the National Housing Corporation—mostly under slum-clearance and tenant-purchase schemes. This shows some decline since 1968 when the corresponding figure was about 24 per cent. The great bulk of the private residential building other than that carried out by the National Housing Corporation was in Dar es Salaam, where its value rose from Shs. 19 million in 1968 to Shs. 30 million in 1969. Another major category was building by missions, which increased from Shs. 6·4 million in 1968 to Shs. 7·1 million in 1969.

Plan Implementation

(a) *Housing*

Progress in housing during the first year of the Plan has been disappointing. A sum of 14 million Shs. of government funds was allocated during the year to the National Housing Corporation to be used for the construction of 2,000 "minimum standard" houses, at an estimated average cost of Shs. 7,000/- per unit. However, for various reasons the smallest single family units constructed during 1969/70 have proved to cost no less than 13,000/00 per unit. Thus, only 1,060 "low-cost" houses have been completed with the funds available; and the cost of these houses places them beyond the means of the average urban workers.

Further, many of the houses completed by the National Housing Corporation this year have not yet been occupied. This is the result of a decision to remove the responsibility for the provision of water and other serevices on National Housing Corporation estates from the National Housing Corporation to the Ministry of Lands, Housing and Urban Development, and the subsequent delays in ensuring that the services were provided at the right time and in the right place.

An additional Shs. 13·7 million was to be allocated during the year to the National Housing Corporation for the provision of 5,000 "serviced plots" in Dar es Salaam. It was decided, however, that owing to a lack of experience with "site and service" schemes in Tanzania, and uncertainty as to the difficulties that may be encountered, only 500 plots

would be laid out in the first year of the Plan. If the scheme proved successful, the number would thereafter be rapidly increased. Little progress has in fact been made, The shillings 1·4 million that was actually channelled to National Housing Corporation in 1969/70 for "site and service" has, therefore, been used to finance the completion of low cost houses already under construction.

The chief source of institutional funds for "medium-cost" housing in Tanzania is the PHFC. It is the policy of the Corporation to encourage private home-ownership, and to devote as much of its funds as possible to the provision of mortgages to individuals for the construction of medium and high-cost houses. However, during 1969, only 84 individuals (only 74 of whom were Tanzanian citizens) had sufficient capital or security to be able to take advantage of these facilities. Some additional funds were channeled, in the form of loans, to the NDC and other parastatals for the construction of staff houses. But, owing to lack of experience in house-building among these bodies, very few housing units have built. NPDMC is now handling a project for the construction of 200 houses in Dar es Salaam, for sale to individuals and Parastatals through the PHFC; but they will not be completed during the 1969/70 financial year, and they are all "high-cost".

These possible difficulties of inadequate utilization of PHFC funds for housing were recognised at the time that the five-year Plan was formulated, and it was proposed that PHFC should channel a large percentage of its funds to the National Housing Corporation, which has both the experience and the capacity for the construction of high quality "medium-cost" houses and flats. During 1969/70, National Housing Corporation has received Shs. 5 million from PHFC, and 200 medium-cost flats in Dar es Salaam are now nearing completion. Theadditional Shs. 5 million available from PHFC for use by National Housing Corporation not yet been mobilized.

Thus, during 1969/70, approximately 1,360 housing units have been completed under the public sector housing programme. Of this total, 300 are medium or high-cost; and the 1,060 that are theoretically "low-cost" will in fact carry an economic rent that puts them beyond the reach of the lowest—income groups. The objective of providing 8,000 housing units or serviced plots per annum, at rents which the majority of the population can afford, has therefore not been achieved. But valuable experience has been gained during the past year, and this may be used as a basis for improving upon the performance in the housing sector in the future.

Every effort will be made, during the coming year, to improve upon the rate of implementation of "site and service" schemes. There should be a constant process of experimentation and re-evaluation of ideas relating to the most appropriate level of facilities to be provided, and the most efficient means of providing them. Also, a committee is being formed in the Ministry of Lands, (under the guidance of an expert in housing co-operatives from the United Nations) to examine the way in which housing and building co-operatives may be set up by the people in the low-income groups in the urban areas. The means of mobilizing private capital, and the posibility of obtaining financial and technical assistance both internally and through the United Nations, will be investigated; so that by the end of 1970 we may have a sound basis for a programme that may be rapidly expanded.

A more realistic assessment of the possible rate of progress with "site and service" schemes, however, has clearly shown that "site and service" cannot, in the immediate future, be relied upon as the sole means of providing housing for the lowest-income families in the urban areas. A substantial volume of Government funds with therefore, in the coming future be made available to National Housing Corporation to expand upon its programme of low-cost house construction. National Housing Corporation will receive a total of Shs. 20 million for low-cost housing in 1970/71.

If it were possible for the National Housing to construct a single-family housing unit for Shs. 7,000/00, the original target of 2,000 houses p.a. could be met with the available funds. But it now seems extremely unlikely that an adequate single-family house can be built for as little as Shs. 7,000/00. However, a multi-family unit (containing six large rooms and common washing and cooking facilities) may accommodate up to six families, and can be build for approximately Shs. 24,000/00. Therefore, in the future National Housing Corporation will revert to its original programme of the construction of large, mult-family units. This will mean that over 800 six-roomed houses can be built with government funds in the coming year, providing accommodation for almost 5,000 families.

Measures are also being taken to ensure that the development and occupation of National Housing Corporation estates may proceed as rapidly as possible. An inter/interministerial committee is being established by the Ministry of Lands to see that in the long run proper co-ordination of all aspects of site preparation and servicing is achieved. In the meantime, responsibility for the provision of infrastructure on National Housing Corporation estates will revert to the National Housing Corporation itself.

Other Buildings

With a greater total volume of funds available for the construction of houses by the National Housing Corporation the capacity of the Corporation should be more fully—utilized in 1970/71 than it has been in the past year. However, it is anticipated that National Housing Corporation will still have sufficient excess capacity, or will be able to easily increase its capacity, so that it may undertake the construction of simple, single-storey buildings other than housing. Rural training centres, simple office blocks etc. are the type of buildings that should be built by the National Housing Corporation, using direct-labour in the future.

In the rual areas, an increasing number of both residential and non-residential are being constructed by "self-help". Substantial progress has been made in the past year in setting up "mobile field units". There are now 21 such units, and it is anticipated that by the end of 1970/71 the number will have increased to 45. These units, consisting of a team of three craftsmen and a small amount of equipment, are moving around the districts providing advice and assistance to the local people in the construction of primary schools, community centres and houses. The establishment in 1970/71 of the "building research unit" in the Ministry of Lands should begin to provide valuable backing (in the area of materials research and improved plans) to the people working in the field.

In the area of large complex buildings, and civil engineering works and in the filed of design, there is still, unfortunately, very little Government involvement or control. However research is being undertaken into the means by which the government may secure a greater degree of control over large building and engineering works; as well as the means by which the costs of such programmes may be reduced, and a larger proportion of the benefits retained in Tanzania. It is hoped that some progress will be made in this area during the coming year.

9. SOCIAL SERVICES

Health

The first Five-Year Plan was mainly geared towards the development of the physical medical facilities, located in urban areas. Some progress was made in the field of Medical Education, and it appears that an reduction in infant mortality and in the dealth rate from certain diseases. However was achieved major health problems continue to face Tanzania, such as:—

(a) Shortage of doctors and ancilliary staff (b) Epidemic infections (c) Chronic infections and parasitic diseases (d) Malnutrition (e) high infant and child mortility rates or (f) Inadequate health facilities, especially in rural areas.

The 1969/74 Health Plan emphasises above all the development of preventive and rural health services to be backed by improved hospital services and training. To implement this strategy seven interrelated projects are being undertaken: (a) Rural Health Centres (b) Dispensaries (c) Enviromental Sanitation Unit (d) Maternal and Child Care Services (e) Communicable Diseases Unit (f) Occupational Health (g) Improved Hospital Services.

Rural Health Centres

During the First Five-Year Plan 80 Rural Health Centres were supposed to be built. By the end of the Plan period only five had been completed and 20 were under construction—the main reason being the inability of many local authorities to contribute towards their share of capital expenditure. In order to facilitate quick implemetation of the Rural Health Centres, the Central Government assumed responsibility for running 69 existing Rural Health Centres in the country, as well as 80 to be built by the Central Government during the period of the *Second* Five-Year Plan. Out of these 80 ten were to be established during 1969/70, but by January, 1970 building operations has started on two centres only. 8 more have been started bu will have to be carried forward to 1970/71. Due to the implementation delay Shs. 1,500,000/- only would be spent by the end of June, 1970, out of the provision of Shs. 3,400,000/-. This programme is thus again off to a slow start; mainly because of a lack of forward planning and changes in the design and costs of such centres.

The Rural Health Centres system of medical care depends on the existence of adequate dispensaries. There are at present approximately 1,200 which with the exception of very few are still the responsibility of Local Authorities. The dispensaries are mainly manned by a staff consisting of a rural medical aide (Grade A) and sometimes a village mid-wife. The quality has improved since 1968/70 when the Ministry started giving subventions to Councils for drungs and dressings at 60 cents per head. The target of one dispensary per 10,000 inhabitants on the average has been reached, but the distribution between regions remains unequal.

Nutrition Services

Nutrition at the moment is mainly the responsibilities of the Ministry of Health and Ministry of Agriculture, with Education and Maendeleo participating at various levels. There also exists a Nutrition Institute at Lushoto, established as a joint venture with the West German Government, which is now an integrated part of the "Lushoto Integrated Development Project". This Institute has conducted surveys on various aspects of nutrition and eradicating malnutrition in Lushoto District. At the Government level, there also exists a co-ordinating body the "Tanzania Nutrition Advisory Committee" although it is without power to execute policies. In order to bring about faster development in this sphere, the need to establish a National Nutrition Commission has been realized. The functions of such a body would be (a) to co-ordinate the national nutrition measures so as to facilitate the achievement of the national aims in nutrition (b) to lay down national policies and objectives in nutrition. Discussions are underway with SIDA for the establishment of a "National Food Science and Nutrition Institute" in the country.

The Nutrition Unit of the Ministry of Health is already active in six region and it intends to cover the whole country by the end of the Plan period, manpower permitting. The services are provided by Mobile District Teams, operating under the direction of Regional Nutrition Officer or Assistant Medical Officer—Health, supported by the Central Nutrition Unit in Dar es Salaam. There already exists a school of Nutrition for Field workers owned by the Nutrition Unit. Efforts are also being made to conduct surveys especially on the malnutrition of pre-school children and lactating mothers. Shs. 288,000 are allocated for 1970/71 for Nutrition Services.

Environmental Sanitation

This activity is directly linked with the development of Rural Health Centres. The activities of Environmental Sanitation Health Inspectors include safe water supplies and waste disposal, food hygiene, housing and certain measures for the control of communicable diseases. Shs. 151,000 has been set aside in 1969/70 for the development of water supplies for such centres.

Maternal and Child Care Services

The most significant change involved in this field is the inclusion of advice and assistance to mothers on the "spacing" of children. In order to do this effectively more staff and appropriate facilities will be required. At present this function is performed by a Voluntary Organization, called "Family Planning Association of Tanzania". This Association, however, caters mainly for the urban areas.

Health Education Unit

The Unit is well established and is:—

(1) extending its training activities to the staff of health centres and mobile units.

(2) increasing activities in co-operation with other Ministreis,, especially Education, Maendeleo and Information and Tourism;

(3) further developing the central unit to meet these responsibilities.

Occupational Health

This Unit has not yet been able to progress much due to the shortage of trained staff in the occupational health field and inadequate finance. However a team of Health Inspectors periodically visit vactories checking on the environment in which labourers work. At present a voluntary, non-profit making, inter-enterprise organization called the "Group Occupation Health Association" provides services to a large number of firsm. The Association is soon to build its Headquarters on Pugu Road, with Dutch assistance. The Ministry is to build a trainig centre adjacent to the headquarters. Shs. 60,000/- are set aside for the period 1970/71 for such services.

Hospital Services

Most of the hospital projects for 1969/70 are already in progress. A major problem has been created due to the upward revision of the cost of certain projects such as the 350 bed obstetric block at Muhimbili in Dar es Salaam. This particular project was to cost Shs. 7 million over a period of five years. It has been realized now that this is a gross underestimation. The project will now cost Shs. 20 million. The same problem has emerged in the pathology block at Muhimbili. This shows a lack of preplanning, which the Ministry hopes to improve with the establishment of a Planning Unit to be headed by a Director, of Planning and including a Health Planner, an architect/draughtsman, an economist, a statistician etc. The inclusion of an architect/draughtsman on the Planning unit will help to ensure that construction projects are costed properly thus minimizing delays in implementation.

Training

The doctor/population ratio existing in the country falls around 1 doctor to 24,000 people on the average. The shortage of trained staff at all levels in the Health Services, is critical To improve this situation training facilities have been expanding quite rapidly in the last few years and development is kept up would ease the burden by the end of the Second Five-Year Plan. Regional disparities are large and (apart from Dar es Salaam) vary from one doctor for 16,450 people in Tanga to one per 60,000 in Shinyanga.

Out of the three projects earmarked to start in 1969/70, an "Inten's Hostel Muhimbili" and "Hostel for Health Officers and Auxilliaries" in Dar es Salaam, are under construction "Medical Assistants' Training Centre", Tanga, is under way. The "Assistant Medical Officers Training Hostel", Dar es Salaam is now ready.

Social Welfare

Social Welfare and Probation Services, receive relatively low priority in the Plan. The emphasis is on remedial services, such as provided by the Rehabilitation Centre in Dar es Salaam, the Malindi approved school, and the Remand Homes as in Arusha, on which substantial progress has been made during 1969/70. Some progress has also been made on the Dodoma destitute, Centre, but the National Child Care Centres project did not begin due to lack of funds. All projects appear to have suffered from initial underestimation of costs. No major changes in the programme are expected in 1970/71.

Labour

The Labour and, The Social Security Division of Comworks, and The National Institute of Productivity are all engaged in helping to promote social justice and raising the standard of living of the working people. In the past the *National Employment Service* concerned itself mainly with the placement of job seekers, but today it is also playing an important part in localizing the parastatal and private sectors. An increasing number of form IV leavers are now available for placement outside the Civil Service. However, in order to enlighten students about job opportunities in the economy the old careers guide book should now be revised to include new occupations that have come up since the first careers guide book was published. The new occupations include those in the textile industry, shipping, aircraft maintenance, etc. It is also necessary to develop our own dictionary of occupational titles describing occupations as they exist and are understood in Tanzania.

During 1969 the National Employment Service (N.E.S.) and the Appointment Bureau placed about 11,000 jobs applicants—about a third of those registered. Craftsmen and production process workers were most easily placed. The main constraint was the slow growth in wage employment-opportunities during 1969. However neither job vacancies nor applicants are compulsorily registered. This has a particularly serious impact on secondary school leaver and, only a small fraction of those registered in late 1969 were placed by the N.E.S. by April, 1970. The localization programme involve replacement of non-citizen employees by citizen employees of comparable skills. Over the year employers had filed with the Appointments Bureau 726 job orders and 685 citizens were engaged to understudy non-citizens.

The National Industrial Training and Apprenticeship Scheme was started after the closu of trade schools at Moshi and Ifunda. The main responsibilities for training craftsm has been left to employers but the Government assists them. The scheme has several expe from ILO/UNIP and Canada. National staff are being employed to understudy the expe in various fields. In April, 1970 a large class of 160 apprentices was inducted for a one ye training following the co-ordination of the National Industrial Training and Apprenticesh scheme and the National Service training programme. This exceeds the Plan targ Extension work on the workshops has begun at Chang'mbe.

Regarding other projects, the *National Institute for Productivity*, which was started 5 ye ago, has by-now conducted 126 courses involving 2,338 participants interested in vario industrial and commercial activities. It's new office building has been completed. T *National Provident Fund* continues to expand its scope, and now covers all employers w four or more employees. Regional Branches offices are being built. The Fund now star at Shs. 241 million, which is invested in government stock. The social security Division now planning to start the Invalidity and Age Pension Scheme.

PRODUCTION OF SELECTED INDUSTRIES

Table 61

Units: Imperial

	Unit	1964	1965	1966	1967	1968	1969	Change 1968/69 %
Beer Brewing	'000 gallons	2,249	2,673	4,139	5,120*	6,860*	7,290*	+ 6·3
					5,102†	5,414†	5,651†	+ 4·4
Textiles	'000 sq. yds.	8,930	12,126	17,121	17,338	34,527	55,326	+60·2
Cigarettes	millions	1,535	1,869	2,049	2,044	2,137	2,336	+ 9·0
Paints	gallons	96,981	162,513	221,020	274,633	317,948	353,036	+11·0
Plywood	'000 sq. yds.	6,573	7,794	10,248	8,808	10,658	10,494	— 1·5
Sisal Twine	tons	658	5,778	10,169	14,887	16,454	18,428	+12·0
Wheat Flour	tons	29,818	38,433	39,714	41,159	42,238	41,410†	— 2·0
Pyrethrum Extract	tons	107	174	200	287	187	174	— 7·0
Canned Meat	tons	...	11,109	9,162	9,520	6,716	6,878	+ 2·4
Cement	tons	—	—	49,316	144,589	153,868	164,984	+ 7·2

*Beer plus Chibuku. ‡ Provisional.
†Beer alone.

Notes.—Textiles:—There was one additional factory from June, 1969
Plywood:—Imara Plywood factory at Moshi closed in March, 1969.

MINERAL SALES

Table 64

Year	Diamond		Gold		Salt		Tin Concentrates		Mica Sheet		Gem Stones[1]		Other		Total	
	Quantity ('000 carat)	Value (mil. Shs.)	Quantity ('000 troy oz.)	Value (mil. Shs.)	Quantity ('000 tons)	Value (mil. Shs.)	Quantity tons)	Value (mil. Shs.)	Quantity (tons)	Value (mil. Shs.)	Quantity (kgs.)	Value (mil. Shs.)	Quantity	Value (mil. Shs.)	Quantity	Value (mil. Shs.)
1960–62	623	105·4	104	25·9	32	5·5	242	3·0	88	1·7	286	0·5	—	6·8	—	148·8
1964	664	135·6	93	23·4	32	6·5	396	6·6	94	1·8	897	0·3	—	1·6	—	175·8
1965	828	142·3	91	22·8	38	7·8	351	7·3	102	2·1	1,318	1·0	—	2·6	—	185·9
1966	906	186·3	55	14·1	37	7·4	504	8·8	87	1·8	3,059	2·3	—	1·9	—	222·6
1967	988	232·7	18	4·7	35	7·2	487	6·2	90	1·8	940	3·0	—	2·5	—	258·1
1968	683	136·7	17	4·8	42	9·6	440	6·9	69	1·3	820	2·8	—	2·7	—	164·8
1969	780	177·5	16	4·7	33	8·0	188	2·3	86	1·7	514	2·9	—	3·6	—	200·7
Percentage change 1968/69 ...	+14·2	+29·8	−5·9	−2·1	−21·4	−16·7	−57·3	−66·7	+24·6	+30·8	−37·3	+3·6	—	+33·3	—	+21·8
Annual Growth Rate 1960–62/69	+3·2	+7·4	−23·5	−21·6	+0·4	+5·4	−3·6	−3·7	−0·3	—	+8·7	+28·5	—	−8·7	—	+ 4·3
1971 Target ...	..	148·0	..	31·6	..	10·0	..	4·8	..	2·6	..	..	—	..	—	211·8

Source.—Mineral Resources Division, Ministry of Commerce and Industry.

(1)Includes rough rubies and sapphires.

.. means not available.

– means not applicable.

PART III.—PLAN IMPLEMENTATION 1969/70

I. PUBLIC FINANCE 1969/70

As far as Government finance is concerned, the Plan was off to a good start in 1969/70. Development expenditure in 1969/70, as detailed below, rose by over one-third, having risen another third the previous year and 23 per cent a year overall during the First Plan. This growth in 1969/70 was made possible by considerable buoyancy in all elements of development revenue. A renewed tax effort gave a growth in revenue of about 22 per cent, which slightly exceeded the very considerable growth in recurrent expenditure to give a record current surplus, which exceeded the Plan target.

Local medium and long-term borrowing increased sharply, reflecting the considerable liquidity that existed during the year. Borrowing from the Bank of Tanzania was held to modest limits, lower than in 1968/69. Foreign borrowing again reached a record level, largely because of disbursements for the Tan-Zam highway and Kilimanjaro Airport. Although such foreign borrowing in absolute terms was higher than before, proportionally it fell to 27 per cent of development resources from the average of about 32 per cent over the past four years. The main trends in central government finance are shown in the following tables (for details see Appendix Tables 68 to 72).

Shs. million	1965/66 Actual	1968/69 Actual	1969/70 Estimated Actual (1)
Revenue	892	1,257	1,535
Recurrent Expenditure	– 888	– 1,186	– 1,435
Surplus	+4	+71	+100
Development Expenditure	230	461	623
	226	390	523
Financed by:			
Local borrowing	87	133	250
Foreign borrowing	84	123	176
Other	55	134	97
	226	390	523

(1)preliminary.

Turning to the details, the principal feature in the *revenue* growth was of course the new sales tax, introduced following the 1969/70 Budget, on imported and domestically produced goods at varying rates between 10 per cent and 20 per cent. This is the main element responsible for raising the share of indirect taxes in revenue from 53 per cent in 1968/69 to 56 per cent in 1969/70. Direct taxes rose only slightly, following a larger increase the previous year after an increase in tax rates, but a group of miscellaneous revenue sources (including bond redemptions) rose sharply. (Details are shown in Appendix Table 70). In all, central government revenue as a per cent of the (new) GDP estimate rose to 19·5 per cent in 1969/70 from 17·0 per cent in the previous year.

Recurrent expenditure also rose at a record pace—21 per cent during the year—which is twice that of the recent past. However, the largest component of the increase is the additional cost of assuming various local authority responsibilities, as proposed in last years' budget. If this item is omitted (about Shs. 75 million) along with debt redemption which is a self-cancelling item the growth in other items is about 9 per cent, somewhat above the rate of growth of 7½ per cent targetted in the Plan*. It appears that increases in the cost of debt service and related payments, defence and police, education and general administration account for the bulk of the increase. A similar increase is in prospect for the coming year, and this subject is pursued further in Part IV below.

*Vol. I, p. 217

Despite this increase, the transfer of the surplus from the recurrent to the capital budget of Shs. 100 million was a record, and exceeded the Plan. The remaining Shs. 523 million of development expenditure was financed by local borrowing, roughly as forecast, of Shs. 250 million from the N.P.F., N.I.C. and N.B.C. the latter being in an unusually liquid position. Foreign finance at Shs. 176 million again was a record, but distinctly below the forecast level and well below the Plan target of 40–45 per cent. Finance secured by the sale of Treasury bills to the Bank of Tanzania was limited to less than Shs. 50 million.

In conclusion, then, public finance performance during the first year of the Plan was good, particularly on the domestic resources side. However, the tendancy of recurrent expenditure to rise above the Plan target, and for foreign borrowing to be below must be kept under careful review. Adequate up-to-date data on the parastatals consolidated financial performance is unfortunately not available. However, from various indications it appears that in the recent past about one half of all capital expenditure has been financed by accumulated profits and depreciation reserves, and the balance from government transfers (about one quarter) and local and foreign borrowing. Currently, however, the proportionate contribution from the parastatals' own resources has dropped, so government transfers and foreign borrowing have had to rise, and threaten to exceed the Plan targets.

2. PLAN IMPLEMENTATION TRENDS

In its broadest sense "plan implementation" should be measured by reviewing progress over the whole range of objectives and policies covered in Vol. I of the Plan. Part II above has reviewed some of the main points in the various sectors. This section confines itself to reviewing the Ministries' progress in carrying out the capital expenditure programme for 1969/70. The following section similarly discusses developments in the parastatals.

The first year of the Plan saw, as noted above, a further rapid increase in development expenditure by 35 per cent to about Shs. 623 million, up from Shs. 461 million in 1968/69. Of this total Shs. 500 million represents expenditure directly by Ministries and Shs. 123 million transfers to parastatals. Thus in expenditure terms the Plan target of Shs. 600 million was over achieved by 4 per cent; within this total, Ministries' total expenditures were Shs. 30 mn. or 6 per cent lower than targetted, whilst the parastatals transfers were almost twice the expected figure. The Ministries expenditures were thus about 80 per cent of the Budgetted estimates plus supplementaries, 4 lower percentage than the 94 per cent of 1968/69—whereas parastatals received almost all the transfers (including supplementaries) that were approved. It should be noted, however, that a transfer to parastatals does not necessarily imply that they purchased assets right away.

As can be seen from the following tables, the bulk of the Ministries' development expenditure is accounted for by Comworks, Agriculture, Landsurvey, Education, Defence and Police. The sharp increases in infrastructure expenditure by Comworks that took place the previous year was sustained, while the agriculture programme showed a welcome increase even after allowing for the shift of W.D. & I.D. to Kilimo. Police and Defence expenditure was responsible for much of the increase over the previous year, together with education, in which expenditure was temporarily depressed in 1968/69, mainly because of delays in external financing.

DEVELOPMENT EXPENDITURE BY MINISTRIES*

(Shs. million)

	1965/66 Actual	1968/69 Actual	1969/70 Estimated Actual
Comworks	50	231	235
Landsurvey	42	56	35
Education	44	8	35
Agriculture (exc. co-ops.)	17	38	60
Defence & Home Affairs	17	27	75
Regional Administration	5	29	29
Health	3	19	15
Others	42	5	16
Total ...	220	413	500

*For details see Appendix Table 72.

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE ACCOUNT

Table 68

Million shillings

Receipts	1965/66	1966/67	1967/68	1968/69	1969/70 Estimated Actual
Recurrent Revenue:					
Direct Taxes ...	228·5	232·8	263·7	338·6	343·8
Indirect Taxes ...	413·5	506·8	588·9	660·8	859·0
Income from Property	70·7	78·2	107·9	93·7	76·8
Miscellaneous ...	184·2	204·4	163·1	164·2	254·8
Sub-total(1)	891·9	1,017·2	1,123·6	1,257·3	1,535·0
Development Revenue:					
External Sources:					
Loans	75·7	116·4	81·5	122·7	175·0
Grants	7·8	10·9	2·5	0·1	1·5
Internal Sources:					
Loans(5) ...	86·4	78·7	159·4	132·5(9)	250·0(9)
Grants	1·0	1·0	1·8	—	0·5
Surplus from recurrent Budget	4·2	37·5	58·6	71·3	100·0
Other	54·8	49·9	40·3	133·9	96·0
Sub-total	209·9	294·4	344·1	460·5	623·0
Grand Total(3)	1,117·6	1,274·1	1,409·1	1,646·5	2,158·0

Expenditure	1965/66	1966/67	1967/68	1968/69	1969/70 Estimated Actual
Recurrent Expenditure:					
Economic Services	189·6	221·6	239·6	276·2	302·8
Social Services ...	255·4	272·5	283·0	325·0	388·9
General Administration (6) ...	324·9	336·1	346·1	368·6	477·9
Other purposes (7)	117·8	149·5	196·3	216·3	265·4
Total Recurrent Expenditure(2) ...	887·7	979·7	1,065·0	1,186·0	1,435·0(9)
Surplus(4)	4·2	37·5	58·6	71·3	100·0
Sub-total	891·9	1,017·2	1,123·6	1,257·3	1,535·0
Development Expenditure:					
Economic Services	137·7m	165·3	196·2	343·4	1,553·5
Social Services ...	63·0	65·5	71·4	57·7	82·4
General Administration ...	31·2	43·6	76·5	59·4	80·6
Total Development Expenditure ...	229·9	294·4	344·1	460·1	623·0
Total Recurrent and Development Expenditure	1,117·6	1,274·1	1,409·1	1,646·5	2,158·0

Source:—Treasury.

(1)Including reimbursements and appropriations-in-aid, but excluding interdepartmental transfers and transfers from funds.
(2)Excluding revenue contribution to Development Budget.
(3)Excluding surplus on Recurrent Account.
(4)Includes voted transfers Recurrent to Development.
(5)Medium and long-term Government security sales.
(6)Includes Transfer to Local Government.
(7)Includes Debt Service and Compensation and Pensions.
(8)Approximately Shs. 75 million of the 1968/69—1969/70 increase represents shifts of Funding from Local to Central Government.
(9)For accounting reasons, about Shs. 30 million of Stock shown here as sold in 1969/70, could better be regarded as a sale in 1968/69.

Ministerial performance, as compared with the original financial estimates, is summarised in the following table.

MINISTRIES' EXPENDITURE AS PER CENT OF ESTIMATES, 1969/70

Table 73

Ministry	Original Estimates (1)	Supplementary (2)	(2)+(1) (3)	Estimated Actual (4)	(4) as a % of (3) (5)
Comworks	307·7	10·3	318·0	230·0	73·0
Landsurvey	45·1	2·5	45·1	34·88	77·2
Education	47·6	0·2	50·1	35·0	70·0
Agriculture	104·6	—	104·6	70·0	67·0
Defence and National Service	46·9	0·2	47·1	65·0	138·0
Home Affairs	3·5	0·1	3·6	10·0	277·8
Information and Tourism ...	1·7	—	1·7	1·7	100·0
Maendeleo	27·3	0·7	28·0	28·8	101·2
Mincom	10·0	—	10·0	3·4	34·0
Health	4·1	0·1	4·1	15·2	361·9
Devplan	3·5	—	3·5	1·3	37·1
Foreign	2·6	0·3	2·9	2·8	96·6
Second V.P.'s Office	0·2	—	0·2	—	—
Justice and Judiciary	0·3	—	0·3	—	—
Central Establishments ...	6·0	—	6·0	2·2	36·7
Sub-Total ...	611·1	14·2	625·3	500·0	80·0
Transfer to parastatals ...	65·6	61·7	127·3	123·2	96·8
Total ...	676·6	75·9	752·6	623·2	82·8

Overall, actual expenditure is likely to be 80 per cent of that in the Development estimates. Major causes for deviations are as follows, by Ministry.

Comworks: The Dar es Salaam to Tunduma Road is slightly behind schedule. A number of smaller road projects had to be postponed mainly because of delays in foreign financing. Most buildings projects are on schedule, although some were delayed because of unsuitable sites or inadequate construction briefs.

Landsurvey: Most delays were in the Dar es Salaam and Arusha town planning projects, for various administrative reasons.

Education: Little or no progress was made on most secondary schools because of delays in I.D.A. financing; other projects were advanced in place of these, so overall expenditure did not fall as it did in 1968/69.

Agriculture: Although overall expenditure has increased, a shortfall remains, and only 67 per cent of the estimated sum is likely to be spent. Serious shortfalls have occurred in Research and Training, and certain forestry and fisheries projects. In other Divisions, various projects are delayed for a variety of reasons, most of which reflect inadequate forward planning.

Mincom: The prospecting projects were seriously delayed because of delays in arranging external assistance.

Health: Most projects suffered from underestimations of costs, especially hospitals and rural health centres.

Devplan: Most major statistical projects are on schedule; the project preparation vote is being used outside the Ministry.

Maendeleo: Most projects are being executed as planned.

In general, a project-by-project review of progress reveals numerous disparate reasons for delays that are usually avoidable. This leads to the conclusion that the forward planning system at present does not predict all the actions that have to be taken. The improvements that appear warranted in the planning system are discussed in greater detail below in section 5.

Of the other causes of delay, two are frequently met. The first of these is transport at and to project sites. Partly this appear to be due to an insufficient stock of vehicles, but mainly it results from the unnecessarily high proportion of vehicles off the road awaiting spares or repairs. This has a considerable economic cost. The second is the various procurement procedures, which appear often to have avoidably slowed project progress.

The above table and comments give only the roughest indication of performance, mainly in financial terms. No satisfactory data exists on physical progress, nor did the Plan set out any measurement criteria. Such indicators as exist, such as project starts and completions, give a rather more pessimistic view. Moreover, a large number of projects have turned out to have moderately or seriously underestimated costs, because of inadequate estimation procedures rather than a price escalation. This means that although in financial terms 1969/70 plan performance is generally satisfactory, in physical terms, which is what counts for development, progress is less satisfactory. Devplan will keep this apparent trend under review during the coming year, and will also design more effective and useful progress reporting systems.

3. PARASTATAL ORGANIZATIONS

For the Parastatal sector of the economy, 1969 was a year of rationalization and internal reorganization. The rapid development of the sector in recent years had not followed any comprehensive plant but a series of ad hoc sectoral plans pursuant to the 1967 Arusha Declaration. Rationalization was therefore inevitable. The process had to proceed with maximum speed within a sector which itself was not only rapidly expanding, but whose economic growth had become one of the main determinants of the economic pace of the entire economy. It is within the changing policy framework reviewed below that this consolidation and change has taken place.

Rationalization

The official instrument laying down the principles for institutional rationalization was Presidential Circular No. 2 of 1969. The principles include sectoral division of labour and specialization of economic activity for each parastatal body. Levels of responsibility were defined; each parastatal body was directly responsible to a parent Ministry; overall accountability lies with the parent ministries and with co-ordinating bodies including Devplan, Treasury and the Bank of Tanzania. Thus the streamlined N.D.C. which caters for Government participation in manufacturing, processing and mining is accountable directly to Mincom; the National Agricultural and Food Corporation (NAFCO) and the Tanzania Tourist Corporation (TTC) are under sectoral ministries, Kilimo, and Maelezo respectively. Overall control and co-ordination of activity to further national economic objectives as set out in the Five-Year Plan rests with Devplan and the Treasury.

Internal Reorganization

Proceeding parallel to rationalization and specialization of Parastatal activity were internal reorganization of existing parastatals and the structural organization of new ones. The major problem encountered was one of lack of adequate efficient management personnel and of organization designed for rational decision making. Management skill is the severest constraint on the development of efficient parastatals. Most parastatals in an attempt to obtain access to this scarce resource resort to "management agreements". These are signed with overseas companies who in return for their supply of management skill and possibly a share in the equity or loan capital of the company are paid agreed fees which usually have a set floor plus a percentage share of turnover or profits or both.

A review of some of the agreements in time with the performance of the companies have proven both revealing and disturbing. There has been a lack formal procedures for scrutinizing these agreements to see if they are favourable or not to the Tanzanian majority partner. The basis of charging fees, the cost of management services related to the perfor-

mance of the company, the training programme for local personnel are aspects needing detailed examination before signature. Alternatives to management agreements, which will provide the skill to the parastatals but still leave overall control and give greater financial benefits to the majority partner are being studied. Government has decided that the Parastatals should submit any future agreements to Government for approval.

Machinery exists to the facilitate inter-ministerial consultations on matters relating to salaries and conditions of services, investment and production programmes and also relating to lines of division between Parastatals and sectoral ministries and to review overall policies affecting Parastatals. The Standing Committee on Parastatal Organizations, is part of this machinery. Salary scales in the Parastatal Sector, are governed by a Directive emanating from the Standing Committee on Parastatal Organizations. This Directive is meant to ensure that salaries paid in the Parastatal Sector are consistent with those in the Public Sector for posts requiring similar qualifications.

Workers' Participation

Early in 1970, Presidential Circular No. 1 of 1970 was issued. This deals with the Socialist requirement of workers participation and representation in management of public corporations. The Circular calls for the establishment of Worker's Councils and Workers representation on Executive Councils and Boards of Directors. The system is to further industrial democracy in relation to the economic functions of the enterprices; workers will now participate in planning, productivity, quality and marketing matters in public corporations.

Economic Performance of the Sector

It is acknowledged in the Second Five-Year Development Plan that the achievement of the targets and aims set out will be largely dependent on the performance of the Parastatal Sector. Though there is a drop from a figure of Shs. 279·1 million Gross Fixed Capital Investment by Parastatals in 1968 to one of Shs. 131 million in 1969, this is predominantly due to the completion of the TanZam pipeline (investment in which fell from Shs. 108 million in 1968 to Shs. 2·5 million in 1969). The 50 per cent drop in capital formation in the manufacturing sector is related to the completion of the Friendship Textile Mill; the mill accounted for Shs. 66 million in 1968 and not likely to be significant in 1969. Completion of large projects are reflected in artificial swings in Capital formation. The other economic categories electricity, agriculture, services, commerce recorded increase in the fixed capital formation for 1969 over 1968. The share of the parastatal enterprises in total gross domestic product for 1969 is expected to be higher than the 1968 share.

All the parastatal economic categories, except for construction, recorded surpluses in their operations for 1969. The Shs. 11·1 million deficit made by the Agricultural Sector in 1968 was turned into a surplus of over Shs. 2 million in 1969. This is due mainly to the improved efficiency of operation of the Tanzania Sisal Corporation which resulted in the corporation reporting a small operating surplus in 1969. When final figures are available, figures for employment by the Parastatal sector is expected to have risen over 1968. This is partly a result of the expansion in the size of the sector at the expense of the private sector. In the agricultural category, 1969 shows a large increase, almost 100 per cent in employment—this is due to a shift in the category of sisal estates from private to Tanzania Sisal Corporation and not an increase in the number and employment of total private and parastatal sisal estates.

Performance by Individual Parastatals

The Agricultural Marketing Parastatals (including National Agricultural Products Board, Lint and Seed Marketing Board, Tobacco Board) main activity in 1969 was the provision of storage facilities in the form of godowns silos and bag stores at ginneries, mill sites, ports producing areas and railheads. Additional storage facilities are necessary to handle Plan production targets. The Tea Authority is responsible for an ambitious tea programme and in the provision of factories for processing tea, selection of sites for the establishment of nurseries and the preparation of feasibility studies to back its application for a World Bank Loan.

TANESCO continued to carry out its normal extension and modernization programme—new transmission lines, provision of additional capacity to the coastal and the Arusha/Moshi Areas, transfer of generating sets or installation of new ones where necessary. On the two

hydro electric projects the Kidatu and the Kiwira, the pre-investment report on the former is complete, and an I.B.R.D. investigations team came early in 1970; work is progressing on the access road to the project. On the latter, discussions are going on the capacity of the hydro station. Studies were carried out on the feasibility of electrifying five small townships in the rural electrification programme.

The Tanzania Tourist Corporation which, in the Rationalization of parastatals was carved out of the old NDC inherited certain hotel projects and in addition to implementing these, has been seeking new tourist projects. Severe organizational problems have had to be faced especially a manpower constraint. The Government has commissioned a firm of consultants to prepare a survey of tourism potential in Tanzania as a basis for forward planning.

The National Agricultural and Food Corporation (NAFCO), also formed out of NDC, is faced with similar organizational and teething problems as TTC. NAFCO has a core of staff transferred from NDC but lack of adequate qualified manpower to seek out new projects and avaluate them is still a constraint. The setting up of an internal organizational structure is still being carried out. NAFCO inherited certain operating companies from the NDC. In the areas of dairying, meat canning and agricultural processing rationalization does not seem to have been completed; overlapping and duplication of activities have been discovered between NDC and NAFCO, and NAFCO and Kilimo; and other seeds of duplication exist. A rigid division may not be essential but cost efficiency also has to be pursued by minimizing duplication.

The National Milling Corporation's main activity is wheat, maize and rice milling; cassava milling has now been added. NDC has been expanding its canning operations. Fruits such as pineapples are already being canned by the corporation. Further in roads were made into food processing. The corporation took over the Dodoma wine factory and the past year was used in modernizing the factory, experienting with the production methods in order to produce a better quality wine, and looking into other uses for grapes. The Corporation finances almost all its projects from its own resources. Training and localization of personnel has proceeded rapidly; nearly 100 per cent of all employees are citizens.

NDC now concentrates mainly on manufacturing, processing and mining activities. Like the new parastatal which were hived out of it, NDC also suffered a shortage in skilled personnel especially of Development and Operations Officers, and also in the accounts and auditing sections. External Organization is being conducted on lines recommended by a management consultant firm NDC's external relations with its parent ministry and Devplan with regard to channels of control are established in principle. However, information flows on the planning and financing of projects have not been effectively established. These are areas where progress can be made in future.

The STC which is now by for the largest distributive organization in Tanzania witnessed a period during which the categories of goods in which it had a monopoly more than trebled. The Corporation will soon be in charge of most wholesale and import business. New branches will have to be opened, were houses found, skilled efficient and experienced manpower recruited and an organization capable of handling the expanded level of business set up. These problems will require increased attention if business is not to be disrupted. A firm of management consultants has recently recommended internal reorganization.

The Parastatal construction industry did not have a good year in 1969 and made a deficit of over Shs. 4 million. MECCO and NPDMC both underwent major management changes in 1969. On the building side the National Housing Corporation did not achieve the target set both for the number of minimum standard houses (2,000 per annum) and in its site and service scheme. The Corporation attributes these shortfalls to the underestimation of costs per unit resulting in inadequacy of funds allocated for the minimum standard houses: construction cost per unit are now estimated to be twice previous estimates due to serious underestimation, the introduction of sales tax and the provision of batter quality amenities such as septic tanks rather than pit latrines. On the site and service scheme, the necessary infrastructure were not laid out by the authority concerned and plots were not easily alloted by the appropriate Ministry. Government has approved a new policy on the type of houses NHC should construct. It is envisaged that with the amended Rent Act which allows NHC to evict tenants persistently in arrears, about 4 million Shs. additional revenue will be forthcoming. With a better rent collecting system and the right type of minimum standard houses, the NHC should move toward a more balanced economic position.

The parastatal financial organizations such as the NBC, NIC and NDCA all reported expanded business. An NIC headquarters was constructed so that activities could be located in one buildings; parastatal organizations used NBC facilities for the financing of working capital and for supplementing, the use of foreign capital and government development finance. NDCA contined to provide medium term finance for agricultural activities. The Tanzania Audit Corporation rapidly expanded its coverage of parastatal bodies. Its advice has already led to substancial improvement of accounting and receipts control systems while its training programme is, for the First time, creating a cadre of Tanzanian business auditors in the public sector.

Rationalization and internal organization of the institutions in this sector are far from complete. Demarcation of responsibility and areas of operation are not yet clear-out; channels of reporting, co-ordination and control are not formalized. Projects are still not regularly subjected to the vigorous economic and social evaluation necessary to identify their viability. The acute manpower constraint is central to these problems. Internal organization for the facilitation of efficient management, control and decision making; financial and efficient auditing systems are all in their infacy. The sector in order to play the important role assigned it in the development of the country is undergoing a process of rationalization, reorganization and consolidation.

4. REGIONAL DEVELOPMENT

Introduction

The importance which is attached to regional planning in Tanzania reflects the need to take into account spatial considerations in the planning process. An important aspect of this is to assess the impact which various sectoral policies have on regional development to ensure that such policies are geared to making the maximum use of the growth potential of each region, and thus to see how each region can best play its part in the development of the country. Volume III of the second Five-Year Plan, which has just been published, is an important step in this direction.

Since regional planning is intended to involve the people, their representatives, and government personnel at all levels in both plan formulation and implementation, the unit used for regional planning purposes will be an administrative unit i.e. a region. Wherever necessary, however, considerable priority and planning effort will be devoted to intergrated zonal planning for areas of special significance e.g. the hinterlands of big infrastructure projects (e.g. Tanzam Road and Railway), in and around specified growth poles (as in the nine towns) or depressed areas (as in Ugogoland).

The section that follows touches on selected aspects of regional planning and the various developments that have taken place. Such measures as have been taken are intended not only to speed up development in the regions but also to foster maximum participation and co-operation of institutions at the local level.

Institutional Developments

(1) *Establishment of "Economic Wings" of Local Authorities*

In order to enable the Local Authorities to engage more effectively in commercial and economic activities, changes in the Government system aimed at establishing District corporations to undertake industrial, wholesale trade and other commercial and economic undertakings at the district level, have been made. The relationship of a district corporation with the District Council would be like that of a parastatal with the Cental Government. It would be registered under the Companies Ordinance like any other business concern and would operate under a Board of Directors.

In forming such corporations a local authority would participate with other public institutions like the co-operatives or neighbouring town or district councils; it will however be expected to acquire majority shares in the "wings" thus formed . The proposed district corporations would be given loans for commercial projects by banks and other existing financial institutions. In addition Government will encourage the corporations to seek long term loans for financing development schemes through N.D.C.A., who have the staff to evaluate projects and eventually the Rural Development Bank.

(a) *The Nachingwea Trading Corporation* is the first of these corporations to be formed, with a view to playing an active role in wholesale and distribution trade. Other proposed ventures of the corporation include a butchery and breeding of beef cattle and goats.

(b) *The Kilimanjaro Development Corporation* has just been formed through co-operation between the Kilimanjaro District Council, Moshi Town Council and the Kilimanjaro Co-operative Union as equal partners. It has started with a capital of 9 m. Shs. to promote the district economy in agriculture, animal husbandry, fishery, forestry, tourism; small industry and business in general.

Enthusiasm to form such corporations has also been shown in other areas, such as Tanga Guidelines to assist District Councils in establishing sound development institutions will be prepared by Devplan, Treasury and Maendeleo.

(2) Planning in the Regions

An important regional planning exercise which is underway at present is the North East Nzega Zonal Project, the aim of which is to formulate an integrated development plan to making maximum use of investments incurred in the development of water supply in the area. The outline of an integrated plan covering major aspects of the economy is being prepared with the co-operation of Regional and District Development Committees, BRALUP, and various ministerial representatives in the Region.

Work is also planned in another priority zone, the areas adjacent to the Tanzam Road and Railway. A preliminary survey has been undertaken in Mbeya Region with a view to establish the future work programme and efforts are being made to co-ordinate the activities of various agencies involved in planning in the Region.

Six teams are currently visiting *Ujamaa Villages* in Tanga, Coast, Mtwara, West Lake, Mbeya and Tabora Regions to assist in the proper planning of land use and economic activities in these villages with a view to making them effective units in the productive process. Each team is composed of the member of the Central Committee of TANU (Chairman), Agricultural Officer, Land Planning Officer, Co-operative officer, Water Engineer and the Regional Economic Secretary. The various regions are expected to form their own planning committees which would concern themselves with the continuous planning of *Ujamaa Villages* in the future.

An important step taken in order to improve the role of the co-operative Unions at the regional level is the formation of the *Co-operative planning and operation teams*. Such teams would consist of the Regional Commissioner, Regional Director of Agriculture, Regional Co-operative officer, Union Manager of the co-operatives and the Regional Economic Secretary. The main concern of such teams would be to draw out long and short term development plans of the co-operative unions, evaluate projects and assess opportunities and problems associated with co-operative programmes, and to ensure that the union's plans are into grated with those of the Region.

The *National Bank of Commerce* has decided to establish *Zonal Committees* to advise it on development activities in the various banking zones. Several such committees have already been established. Such Zonal Committees will be composed of the Zonal Manager of the Bank as Chairman, a resident manager of the co-operative, a branch manager or Secretary of the N.I.C., a representative of any institution (e.g. the District Development Corporation) involved in development work in the region, the Chairman of the local Chamber of Commerce, the RES, and the NBC branch bank managers in the Zone as members.

The NBC can play an important role in stimulation of the activities of the district development/trading corporations referred to above. Through its credit department, it would co-operate by providing finance for projects which are economically viable, and to assist them by way of financial management and personnel training.

Technical Committees chaired by the Regional Commissioner and comprising the Regional Economic Secretary and representative of the NBC, Co-operative Union, Chamber of Commerce, Tanesco, Town/District Council and Landsurvey will be formed in each of the nine towns. Such committees would be responsible for co-ordinating the economic development of the towns and their hinterlands and will be constituted as technical sub-committees of the existing Regional Development Committees. Their principal role will be to advance the "nine towns" growth pole policy.

The *Regional Economic Secretary* is expected to play an important role in regional lanning as economic advisor and co-ordinator of economic planning activities in a region. his is done in co-operation with the other technical officers in the regions and especially he planning staff of Kilimo, so as to help ensure that the various sectoral plans are consistent ith each other. Other activities which the RES undertakes includes evaluation of projects o be financed from the RDF, and preparing feasilibity studies on proposed Local or Central overnment ventures. He will also review progress in implementation of projects and oint out any bottlenecks to the Regional Commissioner and the Regional Planning Division f Devplan so that remedial measures can be taken. A further major planning input from he regional level will be assessing the growth potential and problems in the region and to rganize data collection.

In addition there are various issues and problems at the local level which require considerable planning effort. One such problem affecting most of the regions is lack of an organized arketing/distribution system especially in respect of perishables such as fruit, vegetables, ilk, eggs, fish, meat etc. This problem has resulted in a situation where, in some regions f high potential for market gardening, considerable imports from neighbouring countries re taking place and in various cases export opportunities are being lost because of lack of rganized markets. Such problems offer the RES a chance to study the problem and to ecommend measures that can be taken.

) Financing Regional Department

(a) *The Regional Development Fund* is the main source of finance for small rural development schemes at the regional level. The bulk of the allocation of this fund for 1969/70 in ost of the regions was to provide agricultural inputs to Ujamaa villages, and to a lesser xtent build infrastructural projects like bridges, feeder roads etc. It is expected, however, at ujamaa villages will be self reliant of such assistance once they are well established.

(b) *The Self Help Fund* is a smaller fund which is distributed equally amongst the district ouncils at the beginning of the year and is used to finance self help projects at the district evel.

(c) *National Bank of Commerce* in their efforts towards regional development have set ide 9 million shillings during the Five-Year Plan for investment in the designated priority owns. Interest rates are set at 6 per cent for projects in Dodoma, Mbeya, Morogoro, ltwara and Tabora; 7 per cent for projects in Arusha, Moshi, Mwanza and Tanga compared ith 8 per cent for Dar es Salaam. The N.B.C. is proposing to participate in the development activities at the regional level through the zonal committees and the district corporations eferred to above.

(d) *The National Insurance Corporation* has similarly set aside 9 million shillings for vestment in the nine growth towns. Efforts have been made by N.I.C. to consult the arious local authorities on the type of activities which could be undertaken in the towns. o far decision has been made to invest in residential development in Morogoro, Mbeya, lwanza and Arusha; no decision has been reached in respect of the other towns.

(e) *Rural Development Bank:* A noteworthy development in this area, is the decision to xpand the present activities of N.D.C.A. both in scope and scale through the creation of Rural Development Bank.

RBAN GROWTH POLICY

An important aspect of regional development which is emphasized in the Second Plan is he Urban growth policy which is aimed at preventing all growth from gravitating towards ar es Salaam, by the choice of alternative urban "growth poles". However, the plan oes not go beyond that statement of strategy. It does not outline any specific tools that will e employed to implement the policy; though the need for such tools is realized. Devplan as initiated in conjunction with several Ministries action on various fronts which would ltimately assist in the development of these towns.

Since one of the prerequisites to the development of these towns is the provision of dequate infrastructure, Landsurvey have surveyed the towns with a view to pinpointing any hysical bottlenecks. The various studies reveal some important constraints to industrial evelopment in some towns. The observations in respect of the various towns are ummarized below.

Arusha: The Arusha Master Plan prepared by a consulting firm reveals that there is on the whole no shortage of land in Arusha town. There is no serious infrastructure deficiency, the internal road system is adequate for present traffic. Water and power resources should be adequate for the near future and the planned additions to the telephone and sewage systems will correct the existing deficiencies in these areas. At present there is no problem of surface drainage.

However, a few constraints to large developments especially to industry are recognized. These are:—

(a) *Water* would be a constraint for water consuming industries using 100,000 gallons per day or more.

(b) *Land:* Large land consuming industries must be limited.

(c) *Rail Service:* Industries relying on heavy rail service, particularly to Dar es Salaam cannot be appropriately accommodated.

(d) *Pollution:* Industries producing contaminating effluents should be required to process wastes so as to avoid pollution of water and atmosphere. Most of these constraints are not applicable to Moshi. These could, therefore, provide partial criteria for allocating industrial development between Arusha and Moshi. Studies of long term water development will commence soon.

Dodoma has plenty of flat land for future expansion. Electricity supply seems to be adequate at present. In order to meet any future demand especially for industrial purposes, there would be a need for an extra unit. Water is expensive; the present water system is operated at capacity with no reserves for emergencies. At present drainage and sewage disposal is also a serious problem because soil and groundwater conditions are not suitable for the effective use of private disposal systems. The rising water use and expansion of industry will further aggravete the situation. It is recommended in the report that a sewage disposal system should be installed in the near future. Telephone system is adequate but outmoded. As far as external main and feeder roads are concerned, they are washed away during the rainy season making communications difficult.

Mbeya: The report indicates that there is enough land for future industrial and residential expansion. Electricity supply is adequate for the present and could if, necessary, be increased by the Kiwira Project. The town is served by a telephone system which is outmoded and the efficiency is low. Water storage failtration is a problem, hence industrial connection are not accepted due to possible shortages of water that might arise.

Moshi: The town has a good external communication system. Electricity supply, both present and future, is abundant. Water supply is from the springs and there would not be any difficulties to meet increased water supply demand in future. The town has also a good sewage and drainage system. Enough land is available in and around Moshi to accommodate the envisaged developments, in terms of industry and population. There does not seem to be any constraint to industrial growth in Moshi town in the near future.

Tabora is provided with electric power generated by thermal units but the system is not adequate for present and future needs of the township. Extensions are planned. The especially in cases of an emergency. Improvements are planned. There is no sewage system and drainage facilities are limited and need to be improved. The internal road network seems to be inadequate and widening and reconstruction will be necessary in many cases. Industrial land is plantiful, but servicing in terms of sewage and drainage should be an important consideration in the near future.

Mwanza: There is ample land in the industrial area for future development. There is no electricity problem; Tanesco are well equipped to meet any demand in electricity for any industrial project provided adequate notice is given in advance. There is no water problem now, but improvements would be necessary for industrial purposes. The internal road system is of a substandard quality and there is lack of access roads to many areas earmarked or construction. Construction of sewerage is underway.

Morogoro: At present the town has adequate water supplies to cater for the domestic market, however, the growing need for industrial water will require additional supplies from other sources. The town has no sewerage system, but preparations are being made to

supply this. It has adequate electricity supply. In addition Morogoro has the advantage of being situated very near to Dar es Salaam; a fact which offers the best incentive to locating industries in the town.

Mtwara: A ten year (1970–1980) physical plan for the development of Mtwara has been prepared by Landsurvey. The town continues to suffer from poor communications with other parts of the country.

Tanga: There appears to be adequate undeveloped, residential and industrial land for future expansion. The town has an adequate electricity and there is room for expansion. Tanga has the cheapest water in Tanzania. The town has a main sewage system serving most of the town, external communications are good and port facilities can serve not any the northern region but may also be used to relieve congestion at Dar es Salaam.

In important aspect of the urban growth policy is industrial development. While there may be very little difficulty in encouraging industrial and urban growth in the already booming centre like Arusha/Moshi, Mwanza and Tanga, diversion of industries to towns like Tabora and Dodoma is less easy.

Mincom with the assistance of ERB is assist in formulating an industrial location policy needed to ensure that industrial growth is effectively located in these growth towns. Amongst the important aspects that have to be looked into are the scope for diversifying industrial location, economic costs involved in diverting a particular industry to a particular place, the financial inventives that might be necessary and any physical bottlenecks that have to be solved or the developments that are necessary prior to locating the industry in a particular town. Air and water pollution are additional factors to be taken into account in location divisions.

Regional Planning During The Coming Year

It is necessary here to point out the very limited progress that has been achieved so far in the planning tasks envisaged in Volume III of the Plan mainly because of planning manpower bottlenecks. The limited Planning capacity available in the field will be used for planning within and for the region. Each of the regions, under the leadership of the Regional Commissioner and co-ordinated by the Regional Economic Secretary will be asked to prepare an assessment of the problems and potential in the region. These assessments will play an important part in deciding projects for the next Annual Implementation Plan. In addition there will an intensified programme of data collection at the regional level, and planning in important areas will be undertaken with the assistance of BRALUP and other agencies.

5. EDUCATION AND MANPOWER

Adult Education

The President in his New Year Address to the Nation decleared 1970 to be the year for adult education. Although the establishment of the Work Oriented Literacy Project in conjunction with UNESCO was not envisaged at the time when the First Plan was drawn up, the project started in 1967 and has proceeded initially on a Five-Year Plan of operation, financed in part by the United Nations Development Programme. The project has been extended for one extra year to 1972, and appropriate counterpart contributions are planned. The project has met with very marked success and over 1,000 literacy classes are planned for the coming year.

The National Service is also making a great contribution to adult education. Enlisted men and women spend a good part of their time in the National Service helping to teach literacy classes along with primary and secondary school teachers. Extensive use is made of secondary school students as well, and this year's provision of 44 Land Rovers in addition to film vans should help in easing transport difficulties always encountered in an attempt to reach distant villages. The Adult Education Institute of the University College, Dar es Salaam, has also done encouraging work since its establishment. Last year about 40 mature age students using facilities provided by the Adult Education Institute together with other tutorial colleges, were able to satisfy the examiners and qualify for entry into the University of East Africa.

Primary Education

One objective of the Second Five-Year Plan is to bring to an end the selection barrier at Standard IV and to make a contribution towards the achievement of Universal Primary Education within 20 years. In 1969 only 45 per cent of the relevant age group (7 years) entered standard one. The aim is to provide a seven year primary education as soon as practically possible to every child in Tanzania. In the past, however, every extension of primary education brought more youths to the cities and towns in search of wage jobs. Only about 10 per cent of those who finished primary education got places for further education in secondary schools. In 1969, for example, out of 59,383 pupils who completed primary education only 7,149 got places in secondary schools. 52,234 primary school leavers thus entered the labour market where only 16,215 wage jobs were generated during the year. It was obvious that most of these primary school leavers would not obtain wage employment and their presental in towns and cities only swelled the ranks of those with unrealistic aspirations for wage jobs, while there is ample opportunity for them to be profitably occupied on the land as self-employed farmers.

This unrealistic job expectation prevalent among primary leavers was considered to have been caused partly by the primary school curriculum which Tanzania inherited. In an effort to correct this situation, the Government adopted a policy of "Education for Self-Reliance". This spells out clearly that the primary school curriculum should be geared to local conditions and produce young men and women who feel they are part of the Community in which they grew up, and are willing and ready to play their full part in a common effort to solve development problems that face their communities. In other words, the new graduates of primary schools, unlike those who went before them,would not flock to the towns and cities in search of wage employment, but would be better prepared for rural life. The primary school as an institution should be part and parcel of the community in which it is located; it should be used for community activities, and at the same time engage in productive endeavours which would reduce its running costs. It is now three years since all primary schools in Tanzania began to implement the policy of Education for Self Reliance. Although it is still too early to assess its effects on the movement to the towns and cities of primary graduates, it has certainly made many primary schools self reliant in food, and funds for sports and other activities. In fact in certain instances school fees have been reduced. The communities are also using the primary schools as meeting places and centres where they gather for literacy classes or other events. The primary schools are no longer "Ivory Towers" in Tanzania today.

Capital development funds have been allocated for planned primary school development in each district and town, and the entire planned appropriation for 1969/70 has been issued. To handle increasing primary school enrolment a new cadre of teachers of Grade D has been introduced and more Grade C teachers would be trained at the expense of the more ccastly Grade A teaching cadre.

Secondary Education

Secondary school enrolment is proceeding on schedule to provide the necessary middle and high level manpower needed to achieve the national goal of being essentially self sufficient at all skill levels in the economy by 1980. The adjacent table shows progress achieved in enrolment at various levels of education.

During the first financial year of the Second Five-Year Plan, a total of Shs. 23·4 million was to be invested in the expansion of secondary education but due to the delay in getting an I.D.A. credit only 2·9 million was invested. The delay in getting this external finance was a result of some changes in the secondary education development programme which both the Ministry of National Education and I.D.A. thought were necessary. The delay did not, however, affect planned enrolment in secondary schools since temporary accommodation was made available to students.

ENROLMENTS AT DIFFERENT LEVELS OF EDUCATION IN PUBLIC INSTITUTIONS 1963–1970

Table 75

Level of Education	1962	1963	1964	1965	1966	1967	1968	1969	1970†	1974 (Target)†
A. First Level (Primary Education):										
(i) Std. I (Primary Education) Input) ...	125,521	136,496	140,340	149,314	154,513	157,196	155,802	157,986	161,000	208,400
(ii) Std. (VII) (Primary Education) Output	13,730	17,042	20,348	46,647	52,574	60,070	57,381	59,383	62,300	107,900
(iii) Std. (I—VIII) Primary School Population	518,663	592,104	633,678	710,200	740,991	753,114	765,169	—	850,900	1,140,000
(iv) No. of Teachers all Grades	10,273	11,100	12,044	13,576	14,809	15,271	15,271	16,787	18,200	25,400
B. Second Level (Secondary and Technical Teacher Education):										
(i) Form I (Secondary Education) Intake	4,810	4,972	5,302	5,942	6,377	6,635	6,989	7,149	7,320	8,160
(ii) Form IV Output	1,950	2,839	3,630	4,558	4,723	5,004	5,763	6,328	6,600	7,300
(iii) Form V Intake	286	297	604	780	828	895	1,214	1,367	1,530	1,870
(iv) Form VI Output	199	275	463	606	768	808	929	1,200	1,350	1,730
(v) Form I—VI Population	14,175	17,176	19,897	21,915	23,836	25,551	28,043	29,958	30,700	34,500
(vi) No. of Teachers all grades	789	817	858	1,064	1,151	1,306	1,336	1,474	1,510	1,660
Technical Education:—										
Dar es Salaam and Mwanza Technical Colleges	478	234	518	697	515	577	588	501	621	825
Teacher Training all Courses First Year ...	942	985	1,180	1,145	1,359	1,292	1,4[illegible]	1,508	2,140	2,850
C. Third Level (Higher Education)*:—										
(i) Intake—University of East Africa ...	102	109	173	330	369	511	[illegible]	613	651	1,200
(ii) Out-put University of East Africa ...	45	23	86	73	107	174	[illegible]	311	351	760
(iii) Intake Overseas	348	335	303	246	137	190	106	139	147	273
(iv) Output Overseas	150	200	335	274	368	330	143	104	100	100
U.E.C. Enrolment (All Faculties)	203	305	407	642	740	1,313	1,498	1,975	2,007	—
At University Overseas	712	675	720	778	807	713	611	812	—	—

Source.—Education.
*Exluding Non-Graduate Courses.
†Estimates.

Although secondary school enrolment is thus proceeding well, Tanzania faces a very serious problem in the inability of her secondary school system to produce enough students with maths and science background who are qualified to enter University for training in these Scientific occupations critically needed for her social and economic development. The pass rate at Form VI final examination of students with maths and science background has always been below that of students sitting for the same examination in arts subjects. What is most disturbing is that instead of the pass rate in science and maths subjects improving it is declining very rapidly. In 1966 the pass rate of Form VI of students with maths and science background was 60 per cent. In 1967 it was 57 per cent, in 1968, 50 per cent and 1969, 41·3 per cent. In the school year beginning July, 1968 only 217 students with maths/science background entered University against a planned target of 296 students a short fall of 25 per cent. In the school year beginning July, 1969 only 245 such students entered University against planned target of 313. Thus not only was the 1968 short-fall not made up but an additional one of 21 per cent was experienced. For the school year beginning July, 1970 a total of 322 "A" level science/maths passers was required. Unfortunately out of a total of 704 sitters only 291 squeezed through into University. If in any given year inputs fall short of those needed the short-fall must be made up in subsequent years' or aggregate output will fall short of the 1980 target. Thus if this trend continues Tanzania will fall short of its 1980 self-sufficiency target in Science/Maths based occupations by over 30 per cent.

It is reported that the causes of such poor pass rate are inadequate preparation at Form I—IV level, the diverse national origin of expatriate teachers, frequent changes of expatriate teachers as their contracts expire and are replaced by new ones and the relative inexperience and inappropriate training of the cadre of citizen science and maths teachers. Insufficient use of practical work and "a discovery approach" as a method of teaching may also have affected the pass rate.

On the other hand, arts students are doing better than expected. Although twice as many science and maths students enter Form V as those in Arts subjects, because of the higher pass rate of arts students at Form VI final examinations, and through private efforts through opportunities available for adult education, there were in 1969 about 400 arts students qualified to enter University against a planned input of 342. To check this situation it would appear necessary progressively to keep on increasing entry opportunities of science and maths students at Form V at the expense of arts students. If all those who qualify to enter University are allowed to do at public expenses, the country would have to face the unpleasant problem of unemployed Arts Graduates contrary to the country's declared *policy of providing education (Secondary, technical and University)* only to the extent justified by the manpower requirements of the economy for development.

Localization

This poor performance in maths and science subjects is also effecting the rate of localization of the Civil Service. Today practically all non-specialized administrative jobs in the Civil Service have been localized. Overall, at present, occupied posts in the Civil Service are about 82 per cent localized. Most of the remaining unoccupied posts are those requiring long experience after extensive training in scientific skills requiring maths and science background. The speed at which remaining vacancies in the Civil Service could be filled with citizens will be governed in part by the pass rate in maths and science subjects at form VI.

LOCALIZATION OF THE SENIOR AND MIDDLE GRADE CIVIL SERVICE

(As at 31st December)

Table 76

Citizenship of Officers	1961	1962	1963	1964	1965	1966	1967	1968	1969
Tanzanian Citizens	1,170	1,821	2,469	3,083	3,951	4,364	4,937	6,208	6,379
Foreign Citizens	3,282	2,302	2,580	2,306	2,001	1,710	1,817	1,619	1,379
Total Officers	4,452	4,723	5,049	5,389	5,962	6,074	6,754	7,827	7,758
*Localization	26·1	38·5	48·9	57·2	66·3	71·8	73·1	79·3	81·9

Source.—Central Establishment Division, President's Office.

*These percentages refer only to officers actually holding posts in the Civil Service. If the vacant posts to be filled by overseas recruitment are included in this exercise the percentage of localized posts would be much lower.

However in the meantime effort must be intensified in recruting from overseas so that our current social and economic development plan does not suffer for lack of critically needed staff to prepare or carry out intricate development projects. At the end of 1968 there was a balance of 469 indents for overseas recruitment lodged with the Central Establishment Division by the end of 1969 the back long reach 683 since during the year another 369 indents were placed while only 155 people were recruited. On 1st February 1970 there were 210 outstanding indents for all types of engineers and engineering technicians. There were also 221 indents for agronomists, medical doctors, veterinarians etc. These people are urgently needed. While it is urged that recruitment of expatriate staff should be given more serious attention it is encouraging that various up-grading courses done in ministries' training institutions are paying out greater numbers of citizens qualified to hold higher responsibilities.

A survey done by the Manpower Planning Division of the Ministry of Economic Affairs in 1968 showed that the parastatal sector was then only 30 per cent localized in both non-specialized posts and professional posts requiring extensive trainin, and experience in scientific skills. The reason why the Civil Service appear to have done well in its localization effort is that till now practically all the best Forms IV and VI leavers together with bonded University graduates were directed to serve the civil service. This policy was sound when most of the private sector was serving foreign interests. The Arusha Declaration changed all this. The private sector is much smaller today and a large parastatal sector has been created. The University College, Dar es Salaam, when it gains its status as a National University in July this year will together with the Community be part of our growing parastatal sector.

A much larger choice of jobs and working environment is now available in the public sector. Higher working morale, productivity, and happier industrial relations should result. When the apparently more attractive terms of service offered by parastatals and the National University have attracted enough citizens to localize them to the level the civil service has already achieved, consideration may be given to standardize wages and remuneration throughout the public sector.

Higher Education

The delay in the IDA Credit for Secondary education wa beneficial to the University College, Dar es Salaam as some Local funds which because available as a result of this delay were re-allocated to them. It was planned to invest Shs. 2.5m in 1969 for capital development, but instead Shs. 3.4m was spent to make U.C.D. better prepared for its transformation into a fully fledged national university in July 1970. The Faculty of Medicine is completing working drawing for a multidisciplinary laboratory block in preparation for work on the site in 1970-71. The Faculty of Agriculture has carried out work on the

new library and plans for all other programmed developments are being drawn up. The large allocation for the Halls of Residence Conversation will make possible some acceleration in the provision of residential places in preparation for the intake of July, 1971, when nearly all of the 1,745 students place produced by the convension will be in use. The provision to enable work to begin on the construction of the Mathematics Department building will release valuable space in the Physics Department and enable the Faculty of Engineering to make extensive use of the Physics and Mathematics Departments during its opening year of operation in 1972–73.

The First Five-Year Plan expected an enrolment of about 1,500 Tanganyikans in the University of East Africa in 1968–69: actual enrolment in 1968–69 was 1,481. During the Second Plan, the entry pattern is expected to change on account of the establishment of profesional faculties in Agriculture and Engineering and the growth of the Medical faculty at Dar es Salaam, leading to a great increase of enrolments at Dar es Salaam. The demand for places in the two sister institutions in other subjects not yet provided at Dar es Salaam, notably veterinary science, architecture, survey work and geology will continue. The planned entry of Tanzania students at Dar es Salaam is to grow from 490 in 1970 to 700 in 1974, while the planned entry of Tanzanian students at Makerere and Nairobi is to remain almost costant at 107 and 104 in 1974.

In the field of technical education there is also a great need to expand output and to use existing facilities better. While we have achieved reasonable progress in training high level manpower, with the economy expanding at its present and projected rate the need for middle level technical skills seems likely to continue to exceed supply, and it may be necessary to review our training plans at this level. A high and wasteful turnover of students has been experienced at Dar es Salaam Technical College, which should not be allowed to continue. In 1965, for example, 121 students entered D.T.C. but only 27 completed the three year course and of these only 21 passed the City and Guild Examination. In 1966, 128 students entered D.T.C. and only 49 completed the three year course with 37 passing the final exmamination. A recent survey by the Manpower Planning Division of Devplan shows that as a result of the comparatively low wages paid to these technicians on completation of their strenous course, the technical school is not attracting the better students. Those who go there tend to leave the school as soon as more promising opportunities emerge elsewhere. This situation is under review, so as to help both Dar es Salaam and the proposed Mwanza Technical schools to attract good students committed to the technical profession.

6. CONCLUSIONS AND PROBLEMS OF PLANNING

In conclusion, 1969–70 was generally a good start to the Second Plan. Although there were a number of implementation problems in most sectors, these have to be seen against the background of a 35 per cent growth in government development expenditure, for the second year running. With such a growth, some strains are inevitable. Moreover, this rapid growth in the development effort was achieved. withhin the context of price and balance of payments stability, by means of a large domestic resource mobilization effort.

With less than a year having elapsed since the srtart of the second Plan, it is too early to review the chosen strategy and assess all the policies being used to implement it. Where experience so far has indicated the need for review, however, this has been done—as is reflected in housing policy as mentioned in Part II above.

Certain trends have however emerged which warrant examination. Firstly, in the public finance field, recurrent expenditure is rising somewhat faster than planned. It is necessary to see whether curtailing this increase in the interest of the capital budget will have positive net effects on the development effort. The movement towards programme and performance budgeting, for example as is being pioneered in Kilimo, will be of great help in making the necessary judgements. Secondly, foreign finance has fallen somewhat below the Plan aim—we need to ensure that this does not jeopardize the Plan targets. Thirdly, the total development expenditure of parastatal organizations is apparently likely to well exceed Plan expectations—at least in 1970–71. Insofar as this initiative from the parastatals is for economically viable productive projects, this is a welcome trend. We need to ensure that the demand this growth will make on local resources is sustainable, that adequate contributions are being made from parastatals' internally generated funds, and that excessive realince is not being placed on government transfers or borrowing from abroad on onerous terms.

These and other problems mentioned earlier will be examined over the coming year. An assessment of the problems encountered, and the need for adaptability in the light of development experience, leads us to conclude that at this stage investment of effort in improving the planning process itself, and related information flows, is of high priority, and would help avoid other problems emerging in the future. This point is elaborated in the next section.

Problems of Planning:

Many of the problems referred to above, and the related difficulties encountered in formulating a development budget for 1970/71 as mentioned in Part IV below, are caused by inadequacies in the planning system itself. They are aggravated by serious shortages of all types of manpower in Ministries, which are faced also with heavy pressures of day-to-day work. The *implementation problems* that have arisen, including cost escalations (as in health centres and in the Tanga fertilizer plant), delays in external financing (as in education and roads), delays in the arrival of critical supplies of imports or skilled manpower (as in rural water supplies or state farms), lack of transport on and to sites, lack of co-ordination between agencies (as in public housing), failure to realize expected results (as in secondary education or livestock sales) are not separate from *planning problems*. This is because it is clear that a lack of theroughness in planning a programme or project is likely to lead to implemention problems.

The need for better forward planning—that is, a systematic *process* of (a) identification of a need or opportunity, (b) determination of the feasibility of alternatives, (c) programming of inputs for design, construction, finance, management, and (d) realization of benefits—has long been recognized, but inadequancies in such project preparation have nevertheless persisted. Early in the First Five-Year Plan, it became apparent that the capacity to prepare projects so as to secure external finance was seriously inadequate, and the need to establish effective planning units in the operating ministries was recognized. To-day, five years later, only Kilimo has an operating planning unit. Over these five years the role of the Government in economic decision—making has increased, as has the capacity of the planning machinery, but still a forward planning weakness persits. This is evident from the experience during the first year of the Second Plan, during which it has become clear that the carefully articulated statements of objectives and policies, in volume I of the Plan, were in many cases not closely related (if at all) to the means for achieving them, namely, the projects in Volume II. Some examples are given in Part II above.

From this, it follows that during the remainder of the Plan, improving the planning system itself must have high priority. To this end it has already been agreed that in addition to strengthening Kilimo's planning Unit, new units will be formed in Landsurvey, Mincom, Comworks, Maelezo, and T.T.C. This will be done by September, 1970. A firm of consultants will also be reviewing the government's planning procedures.

There are three main reasons why improving the planning system must have high priority. Firstly, although a break-through has been achieved in the capacity to mobilize internal resourses for development, and in capacity to spend (as the rapid increase in government revenue and expenditure over the past four years testifies), from now on the development effort will involve achieving a similar break-through in the *quality* of expenditure, by planning to get the best development value out of a given level of financial and manpower resources. The second point is related to the first; much of this increase in development expenditure has been on major infrastructure projects such as the Tan-Zam road, Kilimanjaro airport etc. which use foreign contractors and attract foreign aid. Raising aid and investment will not be as easy in the later years of the Plan, when greater emphasis is placed on directly productive projects which now account for less than 10 per cent of ministries' planned expenditure. Thirdly, the key sector for future growth—the directly productive activities of the parastatals—needs to be brought more fully into the planning process, as outlined below.

The essence of these improvement to the system lies in (a) consciously starting pre-investment planning at an earlier stage, and thus (b) supplementing the discipline of the budget process with similar discipline at the planning stage and (c) introducing additional feedback and reporting systems, to include data on the planning stages, as well as data on project execution in physical as well as financial terms plus data to measure attainment of targetted objectives. At present the Budget performs a major planning role, but has the limitation of (i) diverting attention away from the all important pre-investment and programming stage by emphasizing the expenditure stage, and (ii) it thus often brings in planners, whether

in the Ministries or Devplan, to late in the life of the project to be able to play a constructive role, since by the time many projects reach the Budget, many irrevocable divisions have been made. Cancellation at that time many well represent a waste of organizational resources. As a result, planners come to be seen, not altogether unfairly, as an obstacle rather than a help. The integration of systematic pre-investment planning with the Budget process would avoid this. Devplan, working jointly with the planning units, will make recommendations on setting up improved organizational procedures for this work over the coming year.

A further input into on improved planning process is good regional planning. The stategy for basing forthcoming plans in part on plans for the regions is set out in Volume III of the Second Plan. Progress in this direction is slowed by manpower constraints.

Turning to the parastatals, despite the key role they now play, being responsible on for probably more than half the new directly productive investment, they remain so far largely outside attempts at socialist planning of the economy; investment decisions are made in essentially the same way as in the private sector of an unplanned economy. Here, as for the Ministries themselves, there is need for greater use of feasibility studies and other tools of forward planning so that the parastatals, their parent ministries and where necessary, Devplan are in a position to review investment and production plans at the project level in the light of development criteria—criteria that may differ from that of individual profitability.

Although a major rationalization of parastatals' activities took place in early 1969, resulting in the formation of NAFCO and T.T.C., there is still duplication of activities between certain parastatals, and between parastatals and their parent ministry. For example, activities such as dairying and canning are undertaken by more than one parastatal, and both Kilimo and NAFCO are engaged in similar production activities. There is scope, therefore, for further specialization to help streamline the planning process.

At present there are serious data deficiences that limit the forward planning, particularly financial planning, of several parastatals. Thus it emerged during the preparation of the annual plan for 1970/71 that we have inadequate knowledge of sources of finance for that sector, such as the need for borrowing from banking institutions. Parastatals' external borrowing is also remains partly autonomous, and very little is known in the aggregate about the generation and uses of funds by parastatals including their subsidiaries. It appears, however, that dependence on government transfers for project finance may be becoming much higher, both absolutely and proportionally, than originally planned, which threatens to distort the Second Plan. Devplan will examine this problem over the coming year, with emphasis on establishing better procedures for ensuring in advance that only economically viable projects are undertaken.

PART IV.—PROGRAMME FOR 1970/71

This part of the Annual Plan is limited to a statement on the overall public sector capital xpenditure programme. First it discusses the main ways in which development resources ill be raised in 1970/71, through the Central Goverr ment budget. Secondly the main atures of the Ministerial programme are presented and thirdly (for first time) a onsolidated set of parastatals' projects are described. The discussion on the mobilization f resources is a extension of that in Part III above; the ministerial and parastatal programmes re backed up by details in tabular form in Part V.

(1) SIZE OF THE OVERALL PROGRAMME

The demands being made on resources for investment in 1970/71 are very heavy. ecurrent expenditure, ministerial and particularly parastatal capital expenditure, are all stimated to exceed the original Plan projections for 1970/71, yet it appears that such a larger evelopment effort in fact both can and should be sustained. After heavy cutting of initial equests, the approved capital estimates for the public sector amounts to *Shs. 1,317 million* f which *Shs. 697 million* represents capital expenditure by ministries and *Shs. 620 million* y parastatals. Total actual capital expenditure by ministries and parastatals together in 969/70, for comparison, is thought to be about Shs. 850 million.

PUBLIC SECTOR*—CAPITAL EXPENDITURE PROGRAMME 1970/71, BY MINISTRY (SUMMARY)

Table 78

Shillings Million

	Ministerial Programme (1)	Parastatal Programme (2)	Total (3)=(1)+(2)	Of which Government Contribution to Parastatals (4)	Development Estimates (5)=(1)+(4)	Original Estimates 1969/70 (6)
President's Office ...	2·5	·0	2·5	·0	2·5	0·1
Central Establishments ...	13·7	·0	13·7	·0	13·7	6·0
Maendeleo	42·4	1·6	44·0	1·6	44·0	27·3
Foreign Affairs	4·2	·0	4·2	·0	4·2	2·6
2nd Vice-President ...	65·0	·0	65·0	·0	65·0	47·1
Kilimo	124·0	113·2	237·2	78·7	202·7	128·0
Devplan	4·5	1·0	15·5	0·5	5·0	3·5
Education	72·3	·0	72·3	·0	72·3	21·7
Mincom.	11·1	330·7	341·8	97·7	108·8	47·6
Comworks	253·1	24·0	277·1	1·5	254·6	311·7
Treasury	·0	30·9	30·9	30·0	30·0	—
Landsurvey	53·8	37·2	91·0	21·4	75·2	61·0
Home Affairs	22·1	·0	22·1	·0	22·1	3·5
Health	24·1	·0	24·1	·0	24·1	4·1
Tourism	4·2	81·1	85·3	22·6	26·8	12·2
Total ...	697·0	619·7	1,316·7	254·0[1]	951·0	676·4

[1]Of which, equity contribution Shs. 202·7 million transfer of foreign resources Shs. 51·3 million.

Details may not add to totals because of rounding.

*Public sector expenditure here includes the total expenditure of all Ministries and their parastatals. East African Corporations are excluded.

Of the total capital programme, *Shs. 951 million* is to be financed through the development budget, of which Shs. 254 million is a transfer to the parastatals and the balance is direct ministries expenditure. A summary by ministry is shown on the adjacent table, with comparisons with the original estimates for 1969/70. For three reasons, the 1970/71 figure is not strictly comparable with that for 1969/70; firstly the development estimates for 1970/71 include foreign loans to parastatals of Shs. 51 million which hitherto were disbursed directly to parastatals without going through the Budget. Secondly the equity subscription of Shs. 30 million to the Tanzania Development Bank is an exceptional item. Both of these items would be offset by comparable development revenue receipts. Thirdly the 1969/70 estimates understated the requirements of parastatals for government transfers. For these accounting reasons, therefore, the capital expenditure growth while still large, is less than it appears to be at first sight. It is considered that the outcome in 1970/71, unpon implementation of the projects identified in these estimates, will be such as to meet the Plan target for the ministries and perhaps exceed them in the case of the parastatals.

(2) MOBILIZING RESOURCES

The table below shows the resource position for the Central Government for 1968/69, 1969/70 estimates and actual, and as projected for 1970/71.

DEVELOPMENT REVENUE ESTIMATES
1968/69 to 1970/71

Table 79 — Shillings Million

	1968/69 Actual	1969—1970		1970/71 Estimates
		Original Estimates	Estimated Actual	
Transfer from recurrent Budget	71	80	100	115
Contribution from Special Funds	21	39	40	45
Local borrowing	246	225	306	323
External Finance	123	230	177	317
Items under negotiation	—	102	—	151
Total ...	461	676	623	951

The recurrent surplus slightly exceeds the Plan target, but could be slightly higher were it not for a further 10 per cent projected rise in recurrent expenditure, on top of a similar rise in 1969/70—somewhat in excess of the Plan projection. This growth rate, if continued, would cut the size of the recurrent surplus from now on; as such, the content of recurrent expenditure needs to be carefully examined to ensure that it is fully warranted in the pursuit of development objectives. Local borrowing, after considering competing requirements from the parastatal and private sectors, should nevertheless be able to rise further. Foreign borrowing is worked out on the basis of known commitments—generally speaking any delays in disbursements would be accompanied by off-setting delays in expenditure. After taking other sources into account, the remaining gap is about the same proportionate size as last year's. This will be covered as (a) new external finance is negotiated or (b) actual expenditure falls below the estimates, as it customarily does. It is concluded that development estimates totalling Shs. 951 million are a justifiable programme for 1970/71.

(3) MAIN FEATURES OF THE MINISTERIAL PROGRAMME

The main features of the Ministerial programme for 1970/71 are shown in the table below which also shows the original Plan provision, by divisions (adjusted for projects transferred between divisions to the parastatal programme) as shown in Vol. II of the Plan. The actual 1970/71 allocation at Shs. 697·0 million is some 8 per cent over that originally planned (Shs. 646·7 million) but these totals hide a number of more significant changes within the programme itself. The total, while larger than the original, represents a severe cutting of

the Ministries' requests which were initially more than Shs. 900 million. The bulk of the increased requests came from Landsurvey, Home Affairs, Defence and Health and threatened seriously to distort the planned distribution between productive and social programmes. In its discussions with the implementating Ministries and the Treasury, Devplan stressed several criteria in project selection.

Priority was given to those projects which were:—

1. Consistent with plan objectives;
2. Continuing projects, particularly where contractual commitments had been entered into;
3. Projects showing good implementation progress in 1969/70;
4. Projects which have received external financial assistance;
5. Projects which were already in the plan were given priority over those which were not.

The final programme selected gave the division into directly productive, infrastructural, and social and other projects shown in the following Table. It should be noted that the percentage share of directly productive projects has changed little between Vol. II of the Plan and the proposed programme, but social projects have increased their percentage share at the expense of infrastructural porjects.

EXPENDITURE BY TYPE OF PROJECT (PERCENTAGE)

	1969/70 Budget	1970/71 Plan Vol. II	1970/71 Programme
Productive	6·7	8·2	8·0
Infrastructural	73·6	72·7	68·6
Social and Other	19·7	19·1	23·4
Total ...	100·0	100·0	100·0

These percentages hide larger changes in the actual composition of the programme from that proposed in Vol. II of the Plan. For example, taking the total figures for the programme, approximately 16 per cent by value of the projects in the proposed 1970/71 allocation were not in the plan while 11 per cent by value of those in the plan are not in the proposed allocation. Moreover a number of projects, in name unchanged, are virtually new projects, totalling at least 9 per cent of the 1970/71 proposed allocation. Thus, more than 25 per cent by value of the allocation for 1970/71 is not as originally provided. The additional 11 per cent not included in the allocation means that the 1970/71 allocation is substantially different from that originally proposed.

These changes do not, however, represent a serious departure from the intent of the original allocations. In some cases, as outlined earlier, changes represent postponements caused by delays in external finance, such as in education and roads. In other cases, though, as in health, the programme has been revised because of previous under estimation of costs. Police and Defence spending are also higher than planned. Overall, rural emphasis has been maintained, and it is roughly estimated that 77 per cent of Ministerial expenditure have a rural orientation.

The highlights of the programme are as follows:—

The *Comworks* Roads and Aerodromes is still the largest programme in the budget, at Shs. 233·9 million it is more than double the allocation of any other single ministry and makes up 35 per cent of the total ministerial programme. The major items in the Roads and Aerodromes programme are the Dar es Salaam—Tunduma Road at Shs. 160 million, the Kilimanjaro Airport at Shs. 30 million and the Tanga Jetty allocation of Shs. 26 million out of the Shs. 40 million required. The Jetty does not make up part of the Five-Year Plan

and has had to be included to service the fertilizer plant at Tanga. A number of Roads projects are being held in abeyance, generally awaiting external finance. The Comworks building programme provides for the completion of the Education annex and the construction of an office building for the Administrator-General which will also house other Government offices.

Agriculture is the second largest ministry in terms of expenditure and has been allocated Shs. 124 million, about 18 per cent of the total allocation to Ministries. A number of adjustments have been made within the programme, particularly in the Water Development and Irrigation Division where the availability of foreign funds has caused an increase to Shs. 53·1 million from the Shs. 27·4 million allocated in the plan. Provision has had to be made for a number of projects due for completion in 1969/70, and the resulting strain on funds has resulted in a number of state farms being delayed one year and a number of other programmes held back. The full development of the Forestry and Fisheries programmes is dependent on the receipt of foreign finance, and donors are being sought for projects in Sawmilling, Logging Units and Fishing Port facilities. The Research and Training division MATT'S are being held up pending the completion of foreign aid negotiations.

The secondary school programme of the *Ministry of Education* was delayed in 1969/70 when expected foreign finances did not become available. Finance now appears to be certain for 1970/71. Construction of the Engineering Building at the University is to be brought forward to 1970/71 but foreign assistance is still being sought for the project.

The Ministry of Health programme is considerably larger than envisaged, Shs. 24·1 million as against Shs. 13·9 million in the Plan. This is due to in large part to underestimation of the cost of the Obstetrics and Pathology Blocks at Muhimbili Hospital in Dar es Salaam The rural Health centres programme is being revised and the bulk of the funds allocated are for completion of work started in 1969/70.

A major source of funds for Rural development is the Regional Development Fund at Shs. 23·75 million in the *Ministry of Regional Administration and Rural Development*. Under this programme Shs. 1·0 million is provided to each region on the mainland to finance locally originated projects, with a reserve fund of Shs. 6·75 million for particularly worthwhile projects.

Expenditure by the *Second-Vice President's Office* will rise above the plan provision of Shs. 52·6 million to Shs. 65·0 million. The National Archives and Records Management Centre will be built on a site at the University. The Defence estimate at Shs. 50·0 million when combined with the 1969/70 expenditure of Shs. 40·0 million almost exhausts the Shs. 105 million originally in the plan. The National Service allocation is as planned.

Continued construction of the Arusha and Mbeya State Lodges is provided for in the *State House* allocation and foreign finance has been found for the construction of Central Establishment's Institute of Development Management and the Tabora Secretarial College.

The Foreign Affairs allocation is essentially as in the plan, but original underestimation of building costs means this will result in a number of delays in the programme. The *Devplan* allocation provides funds for pilot surveys for the Agricultural Census to be carried out in 1971/72 plus an allocation of Shs. 3·8 million for project preparation and examination of planning procedures.

The Ministry of Commerce and Industry's main expenditure will be in the mineral exploration field, where the programme is being carried out with substantial foreign assistance.

The Ministry of Lands, Housing and Urban Development has a reduced programme in the light of actual spending performance in 1969/70. The projects are essentially those presented in the Plan. However a badly needed Mapping Building will be constructed in 1970/71.

The Home Affairs Programme is nearly three times the plan allocation and the 1969/70 and 1970/71 programmes bear very little relationship to the phasing in Vol. II. Much of the programme in Police is for completion of Police Stations began in 1969/70. A number of stations not in the plan have been added to provide pipeline protection and additional police/customs border posts. The Immigration and Prisons programmes are basically as planned.

The Ministry of Information and Tourism has received foreign assistance for the construction of satellite Transmitting Stations. Also a building is being constructed to house the film unit which is also being equipped with foreign assistance.

SUMMARY OF MINISTERIAL PROGRAMME, BY DIVISION 1970/71

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Name	1969/70 Budget Allocation	1970/71 As per Vol. II of Plan*	1970/71 Allocation
dent's Office	1,470,800	2,838,467	2,500,000
al Establishment	6,000,000	9,000,000	13,653,000
stry of Regional Administration and Rural velopment:			
l Development Division	—	31,650,000	32,559,000
l Government Division	—	1,100,000	1,680,000
onal Administration Division	—	4,765,800	8,191,100
Total ...	28,586,600	37,515,800	42,430,100
stry of Foreign Affairs	2,600,000	4,000,000	4,238,800
nd Vice-President's Office: Makamu ...	171,000	762,000	1,139,700
ciary	1,490,000	1,450,000	3,470,000
nce	40,000,000	40,000,000	50,000,000
onal Service	6,857,800	10,379,700	10,379,700
Total ...	48,518,800	52,591,700	64,989,400
istry of Agriculture, Food & Co-operatives:			
Vater Development and Irrigation Division	—	27,350,000	53,077,700
griculture and Food Division	—	17,101,200	23,422,000
roduction Division	—	16,014,550	11,134,400
raining and Research Division	—	19,090,750	10,474,700
atural Resources Division	—	20,965,600	23,327,500
o-operative Development Division ...	—	968,500	1,438,000
dministration and Planning Division ...	—	2,556,800	1,103,200
Total ...	109,907,300	104,047,400	123,977,500
istry of Economic Affairs and Development lanning	3,500,000	4,600,000	4,528,000
istry of National Education			
rimary Education	—	20,899,000	20,054,000
econdary Education	—	28,602,000	28,362,500
echnical and Commercial Education ...	—	2,500,000	840,000
raining of Teachers	—	11,946,000	5,948,000
niversity Education	—	11,142,000	9,960,000
ther Projects	—	1,935,000	4,077,000
ulture and Antiquities	—	3,119,000	3,059,000
Total ...	56,150,500	80,143,000	72,300,500
nistry of Commerce and Industries:			
Minerals Division	—	5,730,400	9,015,000
Industries Division	—	(–)	2,043,800
Rural Electrification	—	1,000,000	(–)
Total ...	10,016,800	6,730,400	11,058,800

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Table 80—*contd.*

Name	1969/70 Budget Allocation	1970/71 As per Vol. II of Plan*	1970/71 Allocatio
Ministry of Communications, Transport and Labour:			
Roads and Aerodromes Division	263,920,000	250,670,000	233,870,000
Building and Housing	12,206,800	4,000,000	19,025,500
Stores	2,350,000	2,500,000	2,434,000
Labour	—	848,000	3,791,400
Total ...	278,476,800	258,018,000	253,120,900
Ministry of Finance	300,000	—	—
Ministry of Lands, Housing & Urban Development:			
Land Division	—	9,674,500	9,674,500
Survey Division	—	5,390,000	7,216,000
Valuation Division	—	101,700	51,700
Town Planning	—	16,700,000	9,470,500
Urban Water Supplies Division	—	29,400,000	27,400,000
Total ...	45,055,500	61,266,200	53,818,700
Ministry of Home Affairs:			
Police	—	4,930,000	18,464,300
Prisons	—	3,000,000	3,000,000
Immigration	—	437,810	650,200
Total ...	14,066,900	8,367,810	22,114,500
Ministry of Health and Social Welfare:			
Training	—	180,000	4,772,100
Public Health Programmes	—	3,779,000	5,333,000
Hospital Services	—	7,196,500	10,210,000
Ancillary and Special Services	—	1,620,000	1,720,000
Welfare and Probation	—	1,092,000	2,058,600
Total ...	17,131,000	13,867,500	24,093,700
Ministry of Information and Tourism:			
Information Services and Broadcasting ...	—	3,500,000	3,900,000
Tourism	—	250,000	250,000
Total ...	1,650,000	3,750,000	4,150,000
GRAND TOTAL ...	623,440,000	646,736,267	696,973,900

*These data differ slightly from Vol. II of the Plan because some projects have been transferred to parastatals or the recurrent estimates.

CONSOLIDATED PARASTATALS BUDGET SUMMARY TABLE ('000 Shs.)

Capital Cost and Method of Finance

Table 81

Name of the Parastatal	Total Capital Cost*	Method of Finance				Capital Expenditure 1970/71	Government Contribution 1970/71	on lending of Foreign Resources
		Total Equity Capital	Loan Capital					
			Internal	Foreign	Total			
N.D.C.	426,830	173,750	29,130	223,950	253,080	238,300	68,250	—
T.T.C.	194,248	119,454	36,692	38,102	74,794	75,790	20,068	—
N.H.C.	37,219	21,400	11,328	4,491	15,819	37,219	21,400	—
N.A.F.C.O.	48,380	43,080	3,400	1,900	5,300	21,900	17,802	4,100
T.T.A.	62,690	58,770	3,920	—	3,920	16,410	16,400	—
N.D.C.A.	19,700	12,000	—	7,700	7,700	19,700	12,000	7,700
TANESCO	433,510	155,299	—	278,211	278,211	66,248	6,500	19,400
N.S.I.C.	6,194	5,593	601	—	601	3,500	3,500	—
N.P.	22,160	22,160	—	—	—	5,300	2,500	—
N.W.R.C.	1,000	1,000	—		—	1,900	500	—
Kibaha	1,600	1,600	—	—	—	1,600	1,600	—
Tazara	24,000	24,000	—	—	—	24,000	1,500	—
T.S.C.	11,350	8,150	3,200	—	3,200	6,532	592	—
aAll Other Parastatals	215,754	142,177	31,055	34,850	65,905	99,805	—	20,100
Total ...	1,504,635	788,433	119,328	589,204	708,530	618,303	172,612	51,300

*STC, BOT, NIC, NCB, NMC, NBC, NDB, NAPB, LSMB, TTB.

†New 1970/71 projects and on going projects.

‡If 30,000,000 Shillings contribution to Tanzania Development Bank is included, Government Equity contribution will total Shillings 202,612,000.

Table 82

TRANSFERS TO PARASTATALS

(Million Shillings)

Ministry/Parastatal	1969/70 Estimates (1)	1969/70 Supplementary (2)	1969/70 (1+(2) (3)	1969/70 Estimated Actual (3)	1970/71 Estimate (5)	1970/71 Foreign Lending1 (6)	(5)+(6) −(7) 1970/71 (7)
Maelezo:							
Tanzania Tourist Corporation	8·0	15·0	23·0	23·0	20·1	—	20·1
National Parks	2·5	—	2·5	2·5	2·5	—	2·5
Mincom:							
National Small Industries Corporation	0·6	—	0·6	0·6	3·5	—	3·5
TANESCO	3·0	—	3·0	3·0	6·5	19·4	25·9
N.D.C.	8·0	37·0	45·0	35·0	68·3	—	68·3
Kilimo:							
N.A.P.B.	5·0	—	5·0	15·0	—	8·0	8·0
NAFCO	5·0	—	5·0	15·0	17·8	4·1	21·9
Tea Authority	4·0	—	4·0	4·0	16·4	—	16·4
N.D.C.A.	10·4	—	10·4	10·40	12·0	7·7	19·7
National Milling Corporation	—	—	—	—	—	4·0	4·0
Tanzania Sisal Corporation	4·0	—	4·0	4·0	0·6	8·1	0·6
Dairy Board	—	9·0	9·0	9·0	—	8·1	8·1
Landsurvey:							
N.H.C.	16·0	—	16·0	16·0	21·4	—	21·4
Comworks:							
National Corporation	—	—	—	3·0	—	—	—
Taraza...	4·0		4·0	4·0	1·5	—	1·5
Maendeleo:							
Kibaha	—	—	—	1·0	1·6	—	1·6
Devplan:							
National Water Resources Council	—	—	—	0·5	0·5	—	0·5
Treasury:							
Tanzania Development Bank	—	—	—	—	30·0	—	30·0
Total ...	65·5	62·0	126·5	123·3	202·7	51·3	254·0

*Foreign Loans to parastatals, passing through the Government Budget.

(4) THE CONSOLIDATED PARASTATAL PROGRAMME

The "maiden" Consolidated Parastatal Budget as shown in the appended tables sets forth information on capital expenditure, sources of finance and estimated phasing of capital expenditure for the individual major parastatals project by project, and for the sector as a whole. It should, however, be emphasized that this first attempt deals only with on going or new projects being undertaken by *holding* parastatals in the fiscal year 1970/71. No indication is given in respect of capital projects undertaken by subsidiary cpmpanies like the cement factory, the brewery industry etc. other than those requiring funds directly from the holding parastatal. Also the consolidated financial flows for the parastatal sector as a whole are not projected here, because of lack of information.

The total capital expenditure programme for this partial sample of parastatal projects is estimated to be almost Shs. 1,500 million over the plan period, of which expenditure in 1970/71 is estimated at *Shs. 619 million* This for the first time approaches the level of ministerial expenditure. Details are given in the master table below and in the Appendix tables.

The Plan anticipated development expenditure of Shs. 390 million by all parastatals in the financial year 1970/71. The total approved programme for 1970/71 is thus over 60 per cent more than the plan figure. This increase in expenditure, if realised, is a major departure from the Plan—but one that is largely for directly productive projects. In the past parastatal investment levels have fluctuated sharply from year to year, and it appears that 1970/71 will be a high year, in contrast to 1969 when, according to the national accounts, parastatals' expenditure fell significantly.

A number of factors have contributed to this large increase. First, the N.D.C. 1970/71 programme has been inflated by three large projects, namely, the Type Factory, the Fertilizer Plant and the Kenaf fibre factory accounting for over seventy per cent of the Corporation's capital programme. Secondly, the Tanzania Tourist Corporation has a much more ambitious programme than originally planned. Thirdly, NAFCO and N.D.C. both also have increased their programmes. These four parastatals account for over 85 per cent of the increase over and above the original plan provision. On the other hand, TANESCO'S expenditure is lower than planned, because of delays in the Kidatu project. Thirdly, a new parastatal, the Tanzania Development Bank, has been added to the list with an initial Government contribution to equity of Shs. 30 million. In its first year, however, it is not expected that the new Bank will affect the overall volume of medium and long term lending, so this expenditure is more in the nature of a transfer.

As far as financing the 1970/71 programme is concerned, only limited concrete information is available. The direct Government contribution is estimated to be Shs. 202 million or slightly under one-third of the total. This is slightly higher than the planned proportion but in absolute terms is of course a much higher transfer.

The actual transfer from and through the Budget is Shs. 254 million, but this is because certain foreign loans amounting to Shs. 51 million, hitherto disbursed direct to parastatals, are now passing through the Government account. The reliance on transfers from the government budget varies enormously from parastatal to parastatal, from zero in the case of the marketing boards to 10 per cent in the case of TANESCO to 100 per cent in the case of NAFCO which, like T.T.C., has not yet been established long enough to generate any internal resources. Dependence on foreign funds likewise varies significantly between parastatals, and in 1970/71 is strongly influenced by the large suppliers credits being used to finance the major N.D.C. projects. Some indication is also obtained from examining the sources of finance for the given sample of projects, which shows that foreign loans and equity contribution will account for 42 per cent of required funds. Thus although *data* are incomplete, it appears that the proportional reliance on government transfers and foreign funds may be increasing, at the expense of internally generated funds or local borrowing. This trend, which would be reversed, will be kept under careful review by Devplan during the year.

The following sections review individual parastatals in detail:—

National Development Corporation

N.D.C.'s capital expenditure programme is estimated to be about Shs. 240,000,000/- in 1970/1. The character of the 26 N.D.C. projects is such that the majority (12) are investment in manufacturing. Some Shs. 170,000,000/- in 1970/1 falls into this manufacturing

category. Additionally, N.D.C. are investing Shs. 50,000,000/- in 8 agro-industrial projects (processing) for 1970/1. Mining projects take up about Shs. 15,000,000/-. N.D.C. have one agricultural project, the Kenaf Estate at Kahe, which is the irrigation scheme for growing kenaf fibre. N.D.C., therefore, are developing fully integrated production in kenaf growing and processing.

Three projects-General Tyre, Fertilizer manufacturing, and Kenaf Fibre for processing—are financed largely by foreign suppliers' credits, to the amount of about Shs. 150,000,000/- out of total foreign loans to N.D.C. of Shs. 220,000,000/-. The effect of this large amount of suppliers' credit is to lessen the dependence of N.D.C. on own resources (including domestic borrowing) and government contributions to equity. For the remaining projects, however, rather great dependence on government transfers is evident, in that, overall, about Shs. 40,000,000/- in government transfers supports Shs. 70,000,000/- capital expenditure for 1970/1. The N.D.C. capital expenditure programme, therefore, has a few large projects which comprise most of the capital expenditure for 1970/1, and which are financed largely by suppliers' credit. The remaining projects rely much more heavily on government contributions to equity.

Tanzania Tourist Corporation

T.T.C. have nine projects for hotels and lodges which, taken together, constitute a capital expenditure programme of Shs. 75,000,000/- for 1970/1. These projects range in total capital expenditure from the Shs. 6,000,000/- Mwanza Hotels Ltd. to New Africa Hotels, Ltd., of Shs. 56,000,000/-. T.T.C. projects are supported by Shs. 20,000,000/- from government transfers for 1970/1. Since not all foreign loans sought have been fixed, any shortfall in foreign resources would have to be met either by increased government contribution and/or domestic borrowing or reduction in the T.T.C. capital expenditure programme.

National Housing Corporation

N.H.C. have four major programmes: construction of minimum standard houses; medium standard houses; site and service scheme and slum clearance (for 1970/1 the Buguruni scheme). The minimum standard houses programme is funded entirely by government transfers. For the medium standard houses, P.H.F.C. will provide loans, and for the Buguruni scheme, foreign loans will be forthcoming. Therefore, the total estimated cost of Shs. 37,000,000/- will be met by Shs. 21,000,000/- in government transfers and about Shs. 16,000,000/- in domestic and foreign loans.

At present the number of housing units to be built under the minimum standard houses programme is under review. The cost of a housing unit and its design will determine the number of housing units that can be constructed with the Shs. 21,000,000/- allocated. The Buguruni scheme is part of the slum clearing planned programme. The medium standard houses programme envisages 1,000 houses to be built in 1970/1, of the 5,000 set as the target for the plan period. The Shs. 1,000,000/- for site and service scheme is for site preparation and provision of the basic services for construction.

National Agricultural and Food Corporation

The capital expenditure programme of N.A.F.C.O. comprise 13 projects and includes also the N.A.C.O. programme. The N.A.C.O. programme and capital expenditure on the Mtibwa Sugar Estate together amount to over Shs. 12,000,000/- for 1970/1 out of an estimated total capital expenditure of approximately Shs. 22,000,000/-.

N.A.F.C.O.'s capital expenditure programme is quite varied, ranging from the investment in existing tea, sugar, and coconut estates, to grain schemes, poultry and cold storage. Possible projects such as beef canning and game cropping, are included as expenditures on feasibility studies to determine the viability of any future projects.

Of the Shs. 22,000,0000/- to be spent in 1970/1, almost Shs. 18,000,000/- is in the form of government transfers to N.A.F.C.O. projects. In future it can be expected that N.A.F.C.O. will rely much more heavily on own resources (including domestic borrowing), and, where appropriate, foreign resources. I.D.A. funds to the tune of 4·1 million Shs. are solely for N.A.C.O. projects.

Tanzania Tea Authority

The T.T.A. programme for smallholder tea production will greatly expand in 1970/1- Supported by a feasibility study of the tea industry, phased capital expenditure on nursery development, extension, roads and processing factories will occur from 1970/1 through 1973/74. Initial support for the T.T.A. programme comes from government transfers. The Shs. 16,000,000/- estimated capital expenditure for 1970/1 is entirely supported by government finance. I.B.R.D. loans have been sought for the smallholder programme, and if obtained, would replace government contributions. It is envisaged that, with the installation of processing factories, the T.T.A. will contribute to parastatal surpluses.

Tanzania National Electric Supply Company

TANESCO have the largest capital expenditure programme for the parastatals at Shs. 430,000,000/-. The largest proportion of the expenditure is for the KIDATU Hydro/ Project which is estimated to be Shs. 300,000,000/- Estimated capital expenditure for 1970/1 is Shs. 66,000,000/-. KIDATU Hydro Project takes up Shs. 40,000,000/-.

About Shs. 25,000,000/- of the remaining estimated capital expenditure for 1970/1 is for extension and modernization schemes throughout the country. Approximately Shs. 1,000,000/- will be spent on rural electrification during the coming fiscal year. The sources of finance for the TANESCO programme are almost all from own resources and foreign loans. The Shs. 9,142,000/- government contribution constitutes the local costs aspects of the foreign loans.

National Milling Corporation

The N.M.C., have 19 projects, constituting a capital expenditure programme of over Shs. 30,000,000/- financed solely out of own resources (including domestic borrowing) and foreign loans. NMC's major projects for 1970/1 include an Automatic Bakery in Dar es Salaam to be financed by a Canadian loan, a Distillery in Dodoma, construction of low cost staff houses and an Animal Feed Mill. The total capital cost of the 1970/1 Programme amounts to almost Shs. 14 million.

National Agricultural Products Board

N.A.P.B. intends to construct godowns in Tanga and Dar es Salaam and it will also be carrying out a silos programme which involves the construction of four silos and staff houses in Dar es Salaam, Arusha, Iringa and Dodoma. These silos and godowns are sited either in production, consuming or main transporting centres. The silos programme is being initiated as a result of the Swedish Development Agency Report on Crop Storage. The total investment programme for 1970/1 is 13·4 million Shs. The programme will be partly financed by an expected SIDA loan and partly from NAPB's own resources.

Lint and Seed Marketing Board

The Lint and Seed Marketing Board planning and the resultant investment programme is directed towards ensuring the orderly storage at ginneries, railheads and also in Dar es Salaam. The Kurasini Stores are to be extended in phases; phase I will probably be started in 1970. One lift truck is to be installed in 1970. Extra bale storage, still to be approved by the Board is to be provided in 1970/1 at an estimated cost of Shs. 400,000/-. LSMB intends to finance the total Shs. 1,230,000/- 1970/1 and the Shs. 750,000/- 1971/2 tentative investment programmes from its own resources.

National Dairy Board

N.D.B.'s investment programme contains only one programme so far: this is the Mara Dairy Project. This Shs. 12,000,000/- project is being financed to a tune of Shs. 9,000,000/- by Danish loan: Government contribution in the form of equity in a proposed company may amount to Shs. 3,000,000/-.

Tanganyika Tobacco Board

The investment programme for 1970/1 is centred on the building of an 8·26 Shs. Auction floor at Morogoro. The Board anticipates that a free Auction will not only attract dealers here and publicise Tanzania's tobacco, it could also mean that better offers could be made and higher price obtained for Tanzania's tobacco. A thorough study has not been made as to the feasibility of this project and the size of the crop which will justify the construction of a floor. But the World Bank is being approached for a loan to finance both the study and the project, NDCA is also being approached.

Tanzania Sisal Corporation

For 1970/1 the tentative investment programme of the TSC is geared to its diversification scheme. The total cost of the programme is 6·532 million Shs. with a government contribution of almost 0·6 million Shs. The projects include a ranching scheme, cocoa production and the setting up of a citrus orchard. TSC's replanting of sisal programme is being reviewed.

State Trading Corporation

With the takeover of all wholesale and import business STC has to make provision for Godowns, warehouses and offices for new branches that will be opened. The total 1970/1 programme amounts to 21·9 million Shs. The investment programme includes offices in Moshi, Mbeya and Tanga, new branches, a unified office complex in Dar es Salaam and centralized godowns complex in three big centres.

Three financial parastatals occur in the consolidated parastatal budget having capital expenditures which are by their nature funds to be on-lent. They are N.S.I.C., N.D.C.A. and the proposed TDB (Tanzania Development Bank), and each receives all or large proportions of its estimated 1970/1 capital expenditure from government's contribution. The remaining financial parastatals have capital expenditure programmes financed out of own resources (including domestic borrowing) and foreign resources (BOT, NIC, NBC, NCB).

The remaining parastatals receive small amounts of government contributions for 1970/1, which, however, finance all or mostly all of estimated capital expenditure for each of these parastatals for 1970/1. The exception is TAZARA, for which foreign finance is an important element.

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APPENDIX

PART A

CAPITAL EXPENDITURE PROGRAMME, 1970-71, BY MINISTRIES AND PARASTATALS

I.—MINISTERIAL PROJECTS

Project No.	Description	(Shillings),- As per Vol. II of Plan	Revised Allocation
	President's Office		
1.—STATE HOUSE:			
4901	Purchase of Motor Vehicles	48,000	—
4908	Construction of State Lodges	2,790,467	2,500,000
4301	Additional Radio Link...	—	—
	Total—State House Programme ...	2,838,467	2,500,000
2.—CENTRAL ESTABLISHMENT DIVISION:			
4301	Institute of Development Management, Mzumbe	3,000,000	10,320,000
4302	Tabora Secretarial College	6,000,000	3,333,000
	Total—Central Establishment Division ...	9,000,000	13,653,000
	TOTAL—PRESIDENT'S OFFICE ...	11,838,467	16,153,000
	Ministry of Regional Administration and Rural Development		
1.—RURAL DEVELOPMENT DIVISION:			
4301	Rural Training Centre (Mtwara)	—	60,000
4302	Rungemba Leadership Centre...	—	230,000
4303	Kivukoni College	490,000	490,000
4427	Resettlement of Landless People (Mwese) ...	—	802,000
4401	Resettlement Rufiji	—	600,000
4901	Nation Building (Self-Help) Schemes ...	4,410,000	2,412,500
4908	Development of Shallow Wells	—	997,500
4902	Regional Development Fund	23,750,000	23,750,000
5301	Rural Housing Improvement	2,400,000	2,400,000
5601	Community Centres	600,000	—
2206	Ujamaa Village Planning Team	—	317,000
4306	Murutunguru Rural Development Training Centre	—	500,000
	Total—Rural Development Division ...	31,650,000	32,559,000
2.—REGIONAL ADMINISTRATION DIVISION:			
4905	Grant to Local Authorities for Ward Offices ...	2,070,000	2,070,000
4904	Purchase of Motor Cycles for Divisional Secretaries	495,800	495,800
4906	Regional Office Blocks...	1,700,000	3,275,300
4907	District Office Buildings	500,000	1,200,000
5302	Government Housing A & B	—	1,150,000
	Total—Regional Administration Division ...	4,765,800	8,191,100

I.—MINISTERIAL PROJECTS (*contd.*)

Project No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
3.—LOCAL GOVERNMENT DIVISION:			
43035	Rural Training Centre—Mzumbe	1,100,000	1,680,000
	Sub-Total—Local Government ...	1,100,000	1,168,000
	TOTAL—MAENDELEO ...	37,515,800	42,430,100
	Ministry of Foreign Affairs		
1.—FOREIGN AFFAIRS:			
4901	Zambian Mission	—	1,394,300
4202	Diplomatic Radios	—	30,000
4902	Guinea Mission...	500,000	500,000
4903	Japan Mission	2,000,000	1,864,000
4905	Purchase of Buildings	1,500,000	450,500
	TOTAL—FOREIGN AFFAIRS ...	4,000,000	4,238,800
	Makamu		
1.—NATIONAL ARCHIVES:			
4914	National Archives	500,000	800,000
4942	Records Management Centre	100,000	100,000
	Sub-Total—National Archives ...	600,000	900,000
2.—PRINTING DIVISION:			
1701	Printing Machinery	162,000	239,700
	Sub-Total—Government Printer ...	162,000	239,700
	Sub-Total—Makamu ...	762,000	1,139,700
3.—JUDICIARY:			
6401	Purchase of Vehicles	150,000	150,000
6402	High Court Verbatim Reporting Sysem ...	100,000	100,000
6403	New High Court, Dodoma	1,200,000	1,200,000
6404	District Court, Singida...	—	180,000
6405	District Court, Maswa	—	160,000
6406	District Court, Newala...	—	100,000
6407	District Court, Mbinga	—	100,000
6408	District Court, Kigoma	—	180,000
6409	District Court, Dar es Salaam	—	1,000,000
6410	Urban Primary Court, Tanga	—	300,000
	Total—Judiciary ...	1,450,000	3,470,000
4.—DEFENCE:			
6101	Contingencies Including Defence	40,000,000	50,000,000
	Sub-Total—Defence ...	40,000,000	50,000,000

Project No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
5.—NATIONAL SERVICE:			
5201	All Projects	10,379,690	10,379,700
—	Craft Training and Cottage Industries ...	—	—
	Sub-Total—National Service ...	10,379,690	10,379,700
	Ministry of Agriculture, Food and Co-operatives		
1.—PRODUCTION DIVISION:			
1502	Breeding Centre for Dairy Cattle, Kitulo ...	1,240,000	800,000
1503	Breeding Centre for Dairy Cattle, Singida (originally Essimingor)	1,123,100	800,000
1504	State Dairy Farm, Oljoro	—	285,000
1505	State Dairy Farm, Mara	312,300	559,000
1506	U.N.D.P. Livestock Scheme, Kitulo	220,000	686,400
1507	State Farm, Uvinza	510,000	510,000
1510	Pig Breeding Farm	—	21,000
1511	State Ranch Goats	—	—
1401	Oil Seed State Farm, Mtwara (formely Kigoma)	1,071,000	800,000
1402	Oil Palm State Farm, Kigoma	1,110,100	500,000
1301	Vine Growing, Dodoma	447,700	223,000
1302	Wheat State Farm, Sumbawanga (Milundikwa)	260,800	500,000
1305	Wheat State Farm, Njombe (Ilindi) ...	666,000	520,000
1306	Wheat State Farm, Mara	570,000	—
1307	Rice State Farm, West Lake	400,000	—
1310	Rice State Farm, Kilangali	329,000	460,000
1508	Kawalinda State Dairy, Bukoba	—	160,000
1311	Coconut State Farm, Zegereni...	930,900	777,000
1313	State Farm Wheat, Sumbawanga (formely Milundikwa)	255,550	157,000
1314	State Farm Dairy, Rwamkoma	20,000	178,000
4706	Smallholder Irrigation	506,500	506,000
4423	Mechanical Advisory Services...	98,300	98,000
4535	Ox-Training and Demonstration	415,500	415,000
1315	State Farm Wheat, Karagwe	604,400	604,000
1317	State Farm Wheat, Buha Highlands ...	887,500	—
1513	State Farm Dairy, Morogoro	735,100	—
1324	Production and Distribution of Seeds ...	823,000	823,000
4424	Bird Control	332,400	380,000
4426	Farm Planning	372,100	372,000
1303	Wheat State Farm, Ilemba	666,000	—
1308	Rice State Farm, Kigoma	1,107,300	—
	Sub-Total—Production Division ...	16,014,550	11,134,400
2.—AGRICULTURE AND FOOD DIVISION:			
4502	Livestock Multiplication Unit, Iringa... ...	300,000	400,000
4503	Livestock Multiplication Unit, Mbeya ...	100,000	250,000
4504	Livestock Multiplication Unit, Sukumaland ...	300,000	450,000
4505	Livestock Multiplication Unit, Mivumoni ...	700,000	600,000
4506	Livestock Multiplication Unit, Kitare ...	120,000	520,000
4507	Livestock Multiplication Unit, Rungwani ...	500,000	—
1225	Poultry Performance Testing Centre ...	50,000	—
4401	Land Consolidation, Mara...	—	—

I.—Ministerial Projects (*contd.*)

Project No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
—Agriculture and Food Division—*contd.*			
4901	Mobile Building Units	204,500	—
4402	Extension Equipment	100,000	—
4403	Agricultural Input Demonstration	300,000	100,000
4404	Horticulture	150,000	150,000
4509	Vermin Control	308,000	300,000
4405	Produce Inspection Services	124,300	200,000
4407	Tobacco Schemes	—	438,500
4524	Arusha, Kilimanjaro Dairy Development	—	1,500,000
4508	Regional Poultry Distribution Centre	165,000	—
4509	Smallholder Dairy Extension	200,000	—
4512	Grazing Survey and Evaluation	140,000	—
4406	Range Development	986,000	1,000,000
4514	U.N. Livestock Development	1,904,000	9,264,800
4515	Cattle Dips	1,500,000	1,500,000
4516	Dips for Sheep and Goats	100,000	—
4517	Rinderpest Control	115,000	115,000
4518	Permanent Innoculation Crushes	114,000	114,000
4519	Veterinary Centres	50,000	100,000
4521	Veterinary Equipment	120,000	120,000
4520	Vehicles	150,000	—
4521	Quarantine Station, Dar es Salaam	100,000	—
4522	Veterinary Bush Clearing Unit	1,858,300	2,400,000
4526	Sleeping Sickness, Arusha Region	136,000	136,700
4527	Tsetse Control—Range Development Areas	130,000	—
1701	Livestock Markets	1,560,000	1,000,000
4529	Livestock Routes and Holding Grounds	3,353,100	2,000,000
4331	Abattours	600,000	350,000
4532	Artificial Insemination	283,000	203,000
4533	Urban Milk Centres	130,000	—
4525	Tsetse Control, Kitengule	210,000	210,000
	Sub-Total—Agricultural and Food Division	17,101,200	23,422,000
—Research and Training Division			
4532	Improvement of Local Meat Goats	127,300	—
4303	Rural Farm Training Centres	2,190,750	—
4304	Improvement of Existing F.T.C.S.	240,000	—
4306	Mobile Training Units	84,700	84,700
4307	Primary Leavers Training	140,000	10,000
4308	Dairy Training Centre	320,000	300,000
4309	Forest School, Olmotonyi	261,000	161,000
4310	In-service Training Centre	300,000	600,000
4311	M.A.T.I., Mtwara	1,500,000	—
4312	M.A.T.I., Mbeya (Nordic)	2,000,000	—
4313	New M.A.T.I., Mpwapwa	1,000,000	—
4314	Improvement to existing M.A.T.Is	500,000	276,000
4316	Agricultural Diploma College	2,000,000	—
4317	Fisheries Training and Marine Research, Kunduchi	700,000	700,000
2102	Nordic Tanzania Agricultural Project, Mbeya	1,000,000	2,000,000
2103	Sub-Stations of Ukiriguru	136,000	130,000
2105	Sub-stations of Mtwara	108,000	—
2106	Sub-Stations of Ilonga	180,000	110,000
2107	New—Sub-Station	500,000	—
2109	Livestock Breeding Centre, Mpwapwa	200,000	200,000
2110	Livestock Breeding Centre, Tanga	200,000	200,000
2113	National Food and Nutrition Institute	1,000,000	—

Project No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
3.—RESEARCH TRAINING DIVISION—*contd.*			
2308	Tanzania Soil Survey	—	150,000
2115	Tsetse Control Research Institute	500,000	—
2116	Forest Research Station, Pugu	888,800	600,000
2118	Sorghum Research, Ukiriguru	3,500	3,000
2119	Village Storage Research	100,000	40,000
2120	Forestry Research	500,000	445,500
2122	Lake Tanganyika Fisheries Research... ...	100,000	100,000
2120	Forestry Research	500,000	445,500
2122	Lake Tanganyika Fisheries Research... ...	100,000	100,000
4541	East Coast Fever Control	551,700	2,515,000
4542	T.A.M.T.U.	259,000	—
4902	Extension Aids Workshop	300,000	500,000
4318	Agriculture and Co-operative Films	200,000	200,000
2124	Cashew Research Station, Mtwara	—	150,000
2101	KATRIN Research and Training	1,000,000	1,000,000
	Sub-Total—Research and Training Division...	19,090,750	10,474,700
4.—NATURAL RESOURCES DIVISION: FORESTRY SECTION			
1202	Logging Units	600,000	500,000
1204	Saw mills	2,600,000	300,000
1206	Charcoal Production	200,000	200,000
4601	Hardwood Planting	1,000,000	1,521,000
4602	Softwood Planting	8,031,600	7,704,700
4603	Catchment Forests	450,000	250,000
4604	U.N.D.P. Forest Industries Development Project...	36,000	2,295,300
4605	Development of Indigenous Forests	500,000	500,000
4606	Miscellaneous Forest Services...	300,000	304,000
4607	Forest Management	250,000	272,000
4609	Regional Tree Nurseries	200,000	210,000
1703	Central Timber Marketing Project	—	300,000
4610	Forest Inventory and Tobacco Survey ...	—	1,841,000
4608	Bee Keeping	63,000	63,000
	Sub-Total Forestry ...	14,230,600	15,426,000
5.—FISHERIES DIVISION:			
1514	Fish Processing and Port Terminal Facilities, Kigoma	185,000	—
1516	Boat Building	180,000	180,000
1517	Fisheries Port Facilities	—	1,000,000
1518	Village Fishing Units, Lake Areas	420,000	301,000
1519	Village Fishing Units, Coast	900,000	680,000
1702	Fish receiving Stations, Lake Victoria ...	600,000	300,000
4543	Coastal Fisheries Development, Mbegani ...	200,000	385,000
4544	Development of Fisheries Services	300,000	270,000
	Sub-Total—Fisheries ...	2,785,000	3,116,000

I.—MINISTERIAL PROJECTS (*contd.*)

oject No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
ME DIVISION:			
1601	Wildlife Utilization, Game Control and Protein	750,000	750,000
1602	Tourist Development of Game Areas ...	2,000,000	2,000,000
1603	Ngorongoro	1,200,000	1,200,000
	Sub-Total—Game ...	3,950,000	3,950,000
	Sub-Total—Natural Resources Division ...	20,965,600	21,486,500
INISTRATION LANNING ON:			
1704	Market Development and Training Centre ...	445,000	—
5301	Extension Staff Housing	1,611,800	2,610,800
4428	Development of New Crops	500,000	493,200
	Sub-Total—Administration and Planning Division	2,556,800	1,103,200
OPERATIVE OPMENT ON:			
4327	Equipment for Co-operative Development ...	338,000	338,000
4320	Co-operative College Extension	80,500	550,000
4321	Co-operative Training Bursaries	550,000	550,000
	Sub-Total—Co-operative Development Division	968,500	1,438,000
ER OPMENT AND ATION ON:			
2302	Survey and Investigations—National... ...	1,000,000	1,500,000
4708	Irrigation Development and Flood Control Feasibility Surveys	1,000,000	1,000,000
4703	Satellite Ujamaa Village Irrigation	500,000	250,000
2301	Hydrometeorogical Survey	600,000	2,927,700
2303	Kagera River Feasibility Study	450,000	—
2305	Rural Water Supply—Survey and Investigations	5,800,000	6,240,000
4701	Mbarali Irrigation Scheme	2,500,000	2,000,000
4702	Kahe Irrigation Scheme	2,500,000	—
4301	Training—Rural Water Supplies	1,000,000	1,920,000
3204	Rural Water Supply Development (Carryover)	—	7,000,000
3201	Expansion of W.D. & I.D. Facilities... ...	12,000,000	1,332,800
3202	Rural Water Supply Development	—	22,176,000
3203	Purchase of Plant, Vehicle and Equipment ...	—	6,720,000
	Sub-Total—Water Development and Irrigation Department	27,350,000	53,077,700
	TOTAL—MINISTRY OF AGRICULTURE, FOOD AND CO-OPERATIVES...	103,765,500	123,977,500

I.—MINISTERIAL PROJECTS (*contd.*)

Project No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
	Ministry of Economic Affairs and Development Planning		
1.—CENTRAL STATISTICAL OFFICE:			
2202	Agriculture Census of Tanzania	1,600,000	325,000
2203	Industrial Statistics	60,000	150,000
2201	Population Census	40,000	40,000
2204	Household Budget Survey	100,000	213,000
	Sub-Total—Central Statistical Office ...	1,800,000	728,000
2.—PLANNING DIVISION:			
2205	Project Preparation	2,800,000	3,800,000
	Sub-Total—Planning Division ...	2,800,000	3,800,000
	TOTAL—MINISTRY OF ECONOMIC AFFAIRS AND DEVELOPMENT PLANNING ...	4,600,000	4,528,000
	Ministry of National Education		
2.—PRIMARY SCHOOLS:			
5101	Teaching Accommodation (Primary)... ...	12,845,000	12,000,000
5102	Teachers Houses (Primary)	8,054,000	8,054,000
	Total—Primary Schools ...	20,899,000	20,054,000
1.—SECONDARY SCHOOLS:			
4301	Minaki Secondary School (IDA)	—	342,500
4302	Pugu Secondary School (IDA)	119,000	1,800,000
4303	Msalato Secondary School (IDA)	1,427,000	1,200,000
4304	Kigoma Secondary School (IDA)	123,800	1,049,000
4305	Weruweru Secondary School (IDA)	151,100	1,000,000
4306	Mpwapwa Secondary School (IDA)	124,200	1,200,000
4307	Umbwe Secondary School (IDA)	1,756,800	300,000
4308	Musoma Secondary School (IDA)	1,365,000	150,000
4309	Morogoro Secondary School (IDA)	144,000	1,400,000
4310	Chidya Secondary School (IDA)	—	648,000
4311	Nguvumali Secondary School (IDA)	245,000	100,000
4312	Rungwe Secondary School (IDA)	—	511,000
4313	Ihungo Secondary School (IDA)	125,100	992,000
4314	Rugambwa Secondary School (IDA) ...	1,195,200	362,000
4315	Mazengo Secondary School (IDA)	—	1,000,000
4316	IDA Contingency	644,000	1,000,000
4317	Njombe Secondary School	2,960,000	920,000
4318	Karatu Secondary School	—	2,140,000
4319	Mirambo Secondary School	—	—
4322	Moshi Secondary Technical School (IDA) ...	1,391,000	250,000
4323	Iyunga Secondary School (IDA)	—	381,000
4324	Tabora Girls Secondary School (IDA) ...	—	411,000
4325	Lyamungu Secondary School (IDA)	—	666,000
4326	Tanga Secondary School (IDA)	145,800	365,000
4327	Tarime Secondary School (IDA)	2,000,000	1,750,000
4328	Mkwawa Secondary School (IDA)	780,000	865,000

I.—MINISTERIAL PROJECTS (*contd.*)

oject No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
ONDARY OLS—*contd.*			
4329	Moshi Secondary School (IDA)	—	350,000
4330	Arusha Secondary School (IDA)	—	300,000
4331	Iringa Girls Secondary School (IDA) ...	—	510,000
4332	Mtwara Secondary School	4,000,000	800,000
4333	Sengerema Secondary School	3,272,000	4,000,000
4320—21	Nzega and Ilboru Secondary Schools ...	5,533,000	—
4334	Bagamoyo Secondary School	1,100,000	800,000
4335	Songea Girls' Secondary School	—	800,000
	Sub-Total—Secondary Schools ...	28,602,000	28,362,500
RAINING OF CHERS:			
4336	Songea Teachers' College	830,000	—
4337	Korogwe College of National Education (IDA)	3,621,000	700,000
4338	Tabora Teachers' College or 4345 Mtwara Teachers' College	820,000	—
4339	Kasulu College of National Education ...	—	64,000
4340	Adaptations to Teachers' Colleges	640,000	250,000
4341	Katoke College of National Education ...	928,000	1,110,000
4343	Dar es Salaam College of National Education (IDA)	607,000	724,000
4344	Iringa College of National Education ...	4,500,000	3,100,000
	Sub-Total—Training of Teachers ...	11,946,000	5,948,000
UNIVERSITY DUCATION:			
4346	Faculty of Medicine Laboratory Block ...	4,200,000	—
4347	Equipment, Faculty of Medicine	1,250,000	—
4348	Conversion of Dormitories, Muhimbili ...	—	—
4349	University Polyclinic	—	—
4350—56	Faculty of Agriculture	1,432,000	3,000,000
4357	Mathematics Building	1,400,000	950,000
4358	Science Extension No. 2 (Chemistry) ...	—	1,200,000
4359	Main Library Conversion	560,000	560,000
4360	Halls of Residence Conversion	1,500,000	400,000
4361	Equipment for Printing Unit	—	—
4362	Faculty of Engineering...	800,000	—
5301	Staff Houses	—	750,000
4901	Site Supervision and Consultancy	—	—
4363	Faculty of Engineering, Equipment	—	—
4367	BRALUP Building	—	2,000,000
4368	Dag Hammerskold House	—	1,100,000
—	Hall of Residence	—	—
	Sub-Total—University Education ...	11,142,000	9,960,000
—COMMERCIAL EDUCATION:			
4364	College of Business Education	730,000	—
	Sub-Total—Commercial Education ...	730,000	—

I.—Ministerial Projects (*contd.*)

Project No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
6.—Technical Education:			
4365	Technical College, Dar es Salaam (IDA) ...	500,000	840,000
4366	Technical College, Mwanza	2,000,000	—
	Sub-Total—Technical Education ...	2,500,000	840,000
7.—Miscellaneous:			
5601	Public Libraries...	985,000	985,000
4001	Vehicles...	350,000	1,478,000
4902	Urgent Minor Works	500,000	500,000
5602	Work Oriented Literacy Project	100,000	1,114,000
	Sub-Total—Miscellaneous ...	1,935,000	4,077,000
8.—National Culture and Antiquities:			
5501	Expansion of National Stadium	950,000	1,050,000
—	New Stadium	—	—
5507	Hostel for Acrobats and Dancers	—	555,000
5502	Regional Mesuems	595,000	—
5503	Site Museums	120,000	—
5504	Cultural Centre	800,000	800,000
5505	Opening Up of Antiquities Sites	40,000	40,000
5506	Expansion of National Museum	614,000	614,000
	Sub-Total—National Culture and Antiquities ...	3,119,000	3,059,000
	Total—Ministry of National Education ...	80,143,000	72,300,500
	Ministry of Commerce and Industries		
1.—Commerce:			
2201	Drawing Office Instrumentation	30,400	15,000
2202	Laboratory Instrumentation	—	100,000
2203	Geological Mapping and Mineral Reconnaissance	4,600,000	8,000,000
2204	Mica Prospecting Team	300,000	240,000
2205	Prospecting Karagwe	800,000	600,000
4301	Prospecting Course	—	60,000
	Sub-Total—Commerce ...	5,730,400	9,015,000
2.—Industries:			
4302	Hostel for Cottage Industries Centre	—	893,800
2206	INDCENTRE	—	150,000
7008	Rural Electrification	1,000,000	—
1701	Expo' 70	—	1,000,000
	Sub-Total—Industries ...	1,000,000	2,043,800
	Total—Ministry of Commerce and Industries ...	6,730,400	11,058,800

I.—Ministerial Projects (*contd.*)

Project No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
	Ministry of Communications, Transport and Labour		
1.—Comworks Roads and Aerodromes Division:			
2301	Survey and Investigations	500,000	500,000
4001	Ferries	—	750,000
4101	Rwanda Link	3,500,000	50,000
4102	Mwanza Aerodrome	—	150,000
4103	Western Trunk Route Bridges	—	1,000,000
4104	Uyole—Itungi Road	—	—
4105	Kolandoto—Bariadi Road	—	500,000
4107	Dar es Salaam—Tunduma Road	175,000,000	160,000,000
4108	Nyerere Road	—	100,000
4110	Nyakanga—Bunda Road	1,600,000	1,600,000
4111	Usagara—Shinyanga Road	1,600,000	—
4112	Makyani—Oldeani Road	—	—
4113	Oldeani Mwanza Road	1,500,000	3,000,000
4115	Geita Peninsula Road	—	—
4118	Dar es Salaam—Mtwara (Coastal Link) ...	9,000,000	—
4121	Liganga Access Road	5,500,000	—
4124	Bukoba—Muleba—Biharamulo	2,000,000	—
4126	Tunduma—Sumbawanga Road	2,000,000	—
4127	Equipment	10,000,000	2,500,000
4128	Minor Feeder Roads	5,000,000	—
4130	Dar es Salaam Airport Improvements ...	400,000	3,000,000
4131	Kilimanjaro International Airport	30,000,000	30,000,000
4133	Airdrome Fire Service	1,270,000	1,600,000
4129	Emergency Bridging	—	—
4135	Cotton Roads	1,200,000	1,200,000
4301	Training and Staffing	600,000	500,000
4120	Burundi Link Road	—	20,000
4140	Tanga—Moa Road	—	1,100,000
4916	Tanga Jetty	—	26,000,000
2201	Research	—	300,000
4134	Southern Border Feeder Roads	—	—
—	Songea Mamba Road	—	—
—	Mtwara Aerodrome	—	—
	Total—Roads and Aerodromes ...	250,670,000	233,870,100
2.—Comworks Buildings:			
4904	Government Offices Dar es Salaam	2,500,000	8,167,000
5303	U.N. Staff Housing	1,500,000	2,858,500
4905	Connection to Main Sewerage Systems ...	—	700,000
4906	P.W.D. Depots at Kigoma, Maswa and Shinyanga	—	1,300,000
—	Government Housing Dar es Salaam ...	—	—
	Total—Building Division ...	4,000,000	13,025,500

I.—MINISTERIAL PROJECTS (*contd.*)

Project No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
1.—GOVERNMENT STORES DIVISION:			
4801	Government Stores, Depots and Workshops...	2,500,000	2,434,000
	Total—Government Stores Division ...	2,500,000	2,434,000
2.—LABOUR DIVISION:			
4003	Provident Fund Transport	48,000	51,000
4915	Additional N.P.F. Offices (originally 4907) ...	300,000	435,000
4909	Employment Service Office—Dar es Salaam ...	—	90,000
4302	National Industrial Apprenticeship Training Scheme	500,000	2,597,900
4909	Employment Service Office, Dodoma ...	—	—
4912	Modifications of Existing Office space ...	—	400,000
4913	Extension to National Employment Service...	—	127,500
—	Employment Service Office Moshi	—	—
—	Employment Service Office, Sumbawanga ...	—	—
4914	Employment Service Office, Mikumi ...	—	90,000
	Sub-Total Labour Division ...	848,000	3,791,400
	Total—Comworks ...	258,018,000	253,120,400
	Ministry of Lands, Housing and Urban Development		
1.—LANDS DIVISION:			
4901	Site Clearance and Services	7,349,500	7,349,500
4902	Purchase of Residential Plots, Dar es Salaam	1,025,000	1,025,000
4903	Provision of Residential Plots, Arusha ...	1,300,000	1,300,000
	Sub-Total—Lands Division...	9,674,500	9,674,500
2.—SURVEY AND MAPPING DIVISION:			
2301	Geodetic Surveys	100,000	100,000
2302	Topographical Surveys	4,700,000	4,700,000
2303	Expansion of Regional Survey Services	350,000	350,000
4301	Expansion of Survey Training Centre, Dar es Salaam	240,000	316,000
4908	New Mapping Building	—	1,750,000
	Sub-Total—Survey and Mapping Division	5,390,000	7,216,000
1.—VALUATION DIVISION:			
4904	Equipment for Regional Offices	101,700	51,700
	Sub-Total—Valuation Division	101,700	51,700

I.—MINISTERIAL PROJECTS (*contd.*)

Project No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
3.—WATER AND DRAINAGE DIVISION:			
3201	Lower Ruvu Scheme	5,000,000	5,000,000
3202	Urban Water Supplies and Drainage... ...	20,900,000	19,900,000
4907	Industrial Effuent Disposal	3,500,000	2,500,000
	Sub-Total—Water and Drainage Division ...	29,400,000	27,400,000
5.—TOWN PLANNING DIVISION:			
4905	Provision of Economic Infrastructure, Arusha	1,700,000	2,400,000
4906	Provision of Economic Infrastructure, Dar es Salaam	15,000,000	7,000,000
2202	National Housing and RESEARCH Unit ...	—	76,500
	Sub-Total—Town Planning Division ...	16,700,000	9,476,500
	TOTAL—MINISTRY OF LANDS, HOUSING AND URBAN DEVELOPMENT ...	61,266,200	53,818,700
	Ministry of Home Affairs		
1.—POLICE.			
6201	Loliondo Police Station and Lines	—	131,000
6203	*Field Force Unit, Kigoma*	—	950,000
6204	Manyovu—Police/Immigration, Kigoma ...	—	870,000
6205	Nyaronga—Police/Immigration, Kigoma ...	—	870,000
6206	S.T.P.U.—Mugumu	—	500,000
6207	Mabumba—Police/Immigration, Kigoma ...	—	870,000
6208	Murongo—Police/Immigration, West Lake ...	—	870,000
6209	Kabanga—Police/Immigration, West Lake ...	—	870,000
6210	Manda—Police/Immigration, West Lake ...	—	870,000
6213	Kyaka Police Station and Lines, West Lake ...	—	950,000
6215	Mtandikeni Police and Lines, Tanga	—	100,000
6216	Ruvu Police Station and Lines	—	730,000
6217	Mikese Police Station and Lines	—	730,000
6218	Alphonse Pass Police Station and Lines, Morogoro	—	760,000
6219	Lugalo Police Station and Lines, Iringa ...	—	760,000
6220	Tarakea Police Lines	—	98,800
6221	Ruaha Police Station and Lines, Morogoro ...	—	760,000
6222	Uyole Police Station and Lines, Mbeya ...	—	760,000
6239	Machurungu Police Station	50,000	50,000
6230	Vehicles	500,000	500,000
6233	Radios	700,000	700,000
6229	Minor Works	250,000	—
6234	Stores	100,000	346,000
6205	S.T.P.U.—Nyanungu	—	—
6212	Nachingwea Police Lines	—	600,000
6232	Aircraft (Helicopter)	600,000	3,800,000
6204	Marine Unit Headquarters/Slipway/Workshop	2,730,000	—
	Sub-Total—Police ...	4,930,000	18,464,300

I.—MINISTERIAL PROJECTS (*contd.*)

Project No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
2.—IMMIGRATION DIVISION:			
6404	Staff Quarters, Seronera	—	93,000
6402	Regional Office, Arusha	—	50,000
6408	Purchase of Vehicles	90,000	90,000
6415	Staff Quarters, Tunduma	26,500	27,700
6417	Two Staff Quarters, Kasesya	53,000	55,400
6416	Immigration Office, Kasesya	39,750	83,000
6414	Regional Immigration Office, Mbeya ...	81,270	111,700
6410	Regional Immigration Office, Tanga ...	81,270	111,700
6405	Staff Quarters, Namanga	26,270	27,700
6418	Office, Ilungi	39,750	—
	Sub-Total—Immigration Division ...	437,810	650,200
3.—PRISONS:			
1401	Urambo Tobacco Farm	500,000	500,000
1303	Sumbawanga Wheat Farm	537,500	537,500
1304	Songwe Prison Farm	600,000	600,000
		1,637,500	1,637,500
6306	Staff Quarters, Kitengule	100,000	100,000
6307	Staff Quarters, Lindi	100,000	100,000
6308	Staff Quarters, Songea	100,000	100,000
6309	Staff Quarters, Ubena	100,000	100,000
6310	Staff Quarters, Bagamoyo	100,000	100,000
6304	Staff Quarters, Urambo	100,000	100,000
		600,000	600,000
6317	Prison Buildings, Bagamoyo	554,500	554,500
6318	Prison Buildings, Tunduru	40,000	40,000
6319	Prison Buildings, Tabora	40,000	40,000
6320	Prison Training College, Ukonga	40,000	40,000
		674,500	674,500
6336	Electrification Malya	16,000	16,000
6345	Water and Sanitation Olmotonyi/Mwanza ...	20,000	20,000
6353	Vehicle, Kitengule	26,000	26,000
6354	Vehicles, Morogoro	26,000	26,000
		88,000	88,000
	Sub-Total—Prisons...	3,000,000	3,000,000
	TOTAL—HOME AFFAIRS ...	8,367,810	22,114,500

Project No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
	Ministry of Health		
1.—PUBLIC HEALTH PROGRAMMES:			
5401	Rural Health Centres	3,400,000	4,900,000
5402	Nutrition Services	288,000	288,000
5403	Environmental Sanitation	—	—
5404	National Public Health Institute, Dar es Salaam	21,000	—
5405	National Mobile, Health Education	10,000	10,000
5406	Occupational Health	60,000	—
5475	Radio Therapy Unit	—	100,000
5478	Research on Traditional Medicine	—	35,000
—	Equipment for Heart Diseases	—	—
	Sub-Total—Public Health ...	3,779,000	5,333,000
2.—MEDICAL TRAINING:			
5407	Hostel for Health Officers and Auxiliaries, Dar es Salaam	—	2,889,400
5408	Teaching Block, Nurses/Inspectors, Dar es Salaam	—	1,652,700
5409	Extension to Intern's Hostel	100,000	150,000
5412	Medical Assistant Schools, Tanga	80,000	80,000
	Sub-Total—Medical Training ...	180,000	4,772,100
3.—HOSPITAL SERVICES:			
5413	Psychiatric Ward, Mtwara	205,000	405,000
5414	Arusha—2 × 26 bed wards (including Maternity Wards)	299,000	299,000
5415	Obstetrics Block, Muhimbili	2,926,000	5,280,000
5417	Iringa—80 bed District Hospital, Mufindi ...	690,000	—
5418	Kigoma—65 additional beds at Kigoma ...	—	10,000
5419	52 additional Beds at Kibondo	299,000	—
5421	8 bed isolation beds at Kigoma	92,000	—
5422	39 beds at Kyela (Mbeya Region)	149,500	149,500
5423	Morogoro—52 addition beds at Morogoro ...	299,000	—
5424	39 additional Beds at Kilosa	—	149,500
5425	Mtwara—26 additional Beds at Ligula, Mtwara	299,000	—
5426	39 additional beds at Kilwa	149,500	—
5427	Ruvuma—2 × 26 bed wards, Songea ...	299,000	—
5429	120 bed Hospital, Shinyanga	—	—
5430	Tabora—13 bed ward, Mpanda	149,500	—
5435	Coast—52 beds at Bagamoyo (Replacement)...	—	—
5431	Tanga—1 × 200 bed ward, Bombo, Tanga...	1,040,000	1,040,000
5456	Outpatient Centre, Arusha	—	58,500
5457	Two Outpatient Centres, Temeke and Kinondoni	—	802,800
5469	Theatre with X-ray, Bombo, Tanga	—	366,700
5470	Extension—Kitchen and Laundry	—	120,000
5471	Kitchen and Laundry Block, Bukoba	—	—
5472	Improvement to Existing Hospitals (All Government Hospital Wards)	—	500,000
5474	Modernization of Kitchen Equipment and Laundry Equipment in Hospitals (General)	—	104,000

Project No.	Description	(Shillings) As per Vol. II of Plan	(Shillings) Revised Allocation
2.—HOSPITAL SERVICES—*contd.*			
5476	Operating Theatre, Same—(Kilimanjaro Region)	—	160,000
5458	Outpatient Theatre, Morogoro	—	675,000
5459	Outpatient Block, Kahama	300,000	
5445	Maternity Ward, Mahenge	—	90,000
	Sub-Total—Hospital Services	7,196,500	10,210,000
4.—ANCILLARY SERVICES:			
1201	Vaccine Plant, Ubungo	—	200,000
5492	Pathology Laboratory, Kigoma	41,000	41,000
5493	Pathology Block, Muhimbili	540,000	840,000
5494	Dental Unit, Songea	39,000	39,000
5304	Institutional Housing	1,000,000	600,000
	Sub-Total—Ancillary Services	1,620,000	1,720,000
5.—PROBATION, WELFARE DIVISION:			
5502	Rehabilitation Centre, Dar es Salaam	—	—
5503	Destitute Centres, Mwanza and Dodoma	396,000	669,000
5504	Remand Homes, Mwanza and Arusha	336,000	319,600
5505	Water Supply	—	—
5506	Rural Probation Hostels	360,000	
5602	National Child Care Centres	—	1,070,000
	Sub-Total—Probation, Welfare Division	1,092,000	2,058,600
	TOTAL—MINISTRY OF HEALTH	13,867,500	24,093,700
	Ministry of Information and Tourism		
1.—INFORMATION DIVISION:			
4201	Satellite Stations	1,400,000	2,800,000
4202	Replacement of Transmitters	1,000,000	
5601	Listening Posts	100,000	100,000
1202	Film Processing Plant	1,000,000	1,000,000
	Sub-Total—Information Division	3,500,000	3,900,000
2.—TOURISM DIVISION:			
1601	Tourist Roads	250,000	250,000
	Sub-Total—Tourism Division	250,000	250,000
	TOTAL—MINISTRY OF INFORMATION AND TOURISM	3,750,000	4,150,000
	Grand Total—All Ministries	**646,736,267**	**969,973,900**

TABLE PI

NATIONAL DEVELOPMENT CORPORATION

PROJECT, TOTAL CAPITAL EXPENDITURE AND METHOD OF FINANCE

('000 Shs.)

Project Description	Total Capital Cost	METHOD OF FINANCE				Capital Expenditure 1970/1	Government Equity Contribution 1970/1
		Total Equity	LOAN CAPITAL				
			Internal	Foreign	Total		
General Tyre E.A.	65,000	30,000	—	35,000	35,000	48,000	13,250
Tan. Fert. Co.	130,000	25,000	—	105,000	105,000	90,000	6,000
Cash Nut Proc.	3,700	3,700	—	—	—	2,700	650
Bicycle Manuf.	4,250	2,500	—	1,750	1,750	3,000	950
Hardwood Sawmill (Mkata)	3,300	2,300	1,000	1,000	1,000	2,500	1,750
Fibre Board	24,350	12,350	6,000	6,000	12,000	6,000	6,000
Imara Plywood	4,730	2,500	2,230	—	2,230	2,500	1,600
Kenaf Fibre	45,500	17,000	6,000	22,500	28,500	30,000	8,500
Kenaf Estate	17,000	17,000	—	—	—	5,500	5,500
Distillery	3,200	2,000	700	500	1,200	2,700	500
Phosphate Min.	30,000	10,000	—	20,000	20,000	5,000	2,000
Electric Cables	9,000	5,000	—	4,000	4,000	3,000	500
Batteries	3,200	2,000	1,200	—	1,200	1,100	500
Gemstone Mining Tanzanite	2,000	2,000	—	—	—	1,500	1,200
Gemstone Mining	4,000	4,000	—	—	—	2,000	1,000
Kibo Paper Ind.	2,800	1,100	—	1,700	1,700	2,800	1,000
Kibo Paper Expansion	4,000	2,000	—	2,000	2,000	2,500	1,000
Tannery	8,000	5,000	—	3,000	3,000	5,000	2,500
Shoes	4,000	3,000	1,000	—	1,000	3,000	2,000
Taz. Bag Corp. Expansion	10,500	5,000	—	5,500	5,500	6,800	3,000
Tan. Shoe Expansion	5,000	1,500	2,500	1,000	3,500	2,500	1,500
Diversification Soap Ind.	1,000	1,000	—	—	—	500	500
Sawmill/Kilwa Mtwara	6,600	4,600	2,000	—	2,000	2,000	1,000
Parquet Flooring	2,000	1,000	1,000	—	1,000	500	500
Bicycle T. & T.	15,000	6,000	—	9,000	9,000	—	1,000
Kaolin	3,200	1,200	—	2,000	2,000	200	250
Nyanza Salt Mines	15,000	5,000	5,500	5,000	10,500	7,000	2,000
Total N.D.C.	426,830	173,750	29,130	223,950	253,080	238,300	68,250

TABLE P2

TANZANIA TOURIST CORPORATION

(Budget Summary Table)

(Total Capital Expenditure and Method of Finance)

('000 Shs.)

Project Description	Total Capital Cost	METHOD OF FINANCE				Capital Expenditure 1970/1	Government Equity Contribution 1970/1
		Total Equity	Loan Capital				
			Internal	Foreign	Total		
New Africa Hotels Limited ...	56,000	46,000	—	10,000†	10,000†	14,000	9,000
Mt. Meru Hotel, Arusha ...	28,000	28,000	—	—	—	14,000	3,000
Bahari *Beach Hotel	8,790	3,000§	—	5,790‡	5,790‡	1,290	256
Zanzibar Beach Hotel	9,000	9,000§	—	—	—	5,000	—
Tanzania Promotion Services...	17,458	8,554	592	8,312	8,904	10,000	1,710
Tanzania Safari Lodges ...	15,500	6,200	9,300	—	9,300	5,500	3,100
Ngalawa Beach Hotel	11,000	3,800	—	8,000†	8,000†	7,000	3,000
Serengeti Safari Lodges, Limited	42,500	13,500	23,000	6,000	29,000	15,000	—
Mwanza Hotels Limited ...	6,000	2,200	3,800	—	3,800	4,000	—
Total—T.T.C. ...	194,248	119,454	36,692	38,102	74,794	75,790	20,068

*Expansion of existing hotels new project.

†Finance not fixed, could be increased in equity (via Foreign Investment); or Foreign/Domestic Loans.

‡Loan Capital 85,790 sought; combinations of domestic/foreign not fixed.

§Capital structure dependent on Zanzibar government contribution. Could be some shift from equity to Loan Capital.

TABLE P3

NATIONAL HOUSING CORPORATION

(Budget Summary Table)

Total Capital Expenditure, Phasing and Method of Finance

('000 Shs.)

Project Description	Total Capital Cost	METHOD OF FINANCE				Capital Expenditure 1970/1	Government Equity Contribution 1970/1
		Total Equity	Loan Capital				
			Internal	Foreign	Total		
Minimum Standard Houses ...	20,440	20,400	—	—	—	20,400	20,400
Site and Service Scheme ...	1,000	1,000	—	—	—	1,000	1,000
Medium Standard Houses ...	11,328	—	11,328*	—	11,328	11,328	—
Buguruni Houses	4,491	—	—	4,491	4,491	4,491	—
Total—N.H.C. ...	37,219	21,400	11,328	4,491	15,819	37,219	21,400

*P.H.F.C.

TABLE P4

NATIONAL AGRICULTURAL AND FOOD CORPORATION

(BUDGET SUMMARY TABLE)

TOTAL CAPITAL EXPENDITURE AND METHOD OF FINANCE

('000 Shs.)

Project Description	Total Capital Cost	METHOD OF FINANCE				Capital Expenditure 1970/1	Government Equity Contribution 1970/1
		Total Equity	LOAN CAPITAL				
			Internal	Foreign	Total		
Arusha PLS (dairy unit) ...	60	60	—	—	—	60	—
Bukoba Tea	2,200	2,200	—	—	—	700	660
Lime Products	624	624	—	—	—	100	130
Mafia Coc. Ltd.	9,147	6,647	600	1,900	2,500	1,093	1,025
Basotu Wheat	9,612	6,812	2,800	—	2,800	2,880	2,000
Poultry Broiler	550	550	—	—	—	550	550
Mtibwa Est.	15,000	15,000	—	—	—	7,500	5,750
Kiru Valley	3,000	3,000	—	—	—	1,500	1,000
Cold Storage	150	150	—	—	—	150	150
Crustacha	2,000	2,000	—	—	—	1,000	1,000
Sorghum	100	100	—	—	—	100	100
Beef Raising & Can.	50	50	—	—	—	50	50
Game Cropping	100	100	—	—	—	100	100
MKTG of Beef	1,000	1,000	—	—	—	500	500
NACO	4,787	4,787	—	—	—	4,787	4,787
Total—N.A. & F.C. ...	48,380	43,080	3,400	1,900	5,300	21,075	17,802

1Bukoba Co-operative Union. 2TDFL. 3Total Capital Cost is much larger—based on future investment in Sugar Mill.

TABLE P5

TANZANIA TEA AUTHORITY

(BUDGET SUMMARY TABLE)

TOTAL CAPITAL EXPENDITURE, PHASING AND METHOD OF FINANCE

('000 Shs.)

Project Description	Total Capital Cost	METHOD OF FINANCE				Capital Expenditure 1970/1	Government Equity Contribution 1970/1
		Total Equity	LOAN CAPITAL				
			Internal	Foreign	Total		
Tea Factories	16,930	13,010	3,920*		3,920*	4,450	4,450
Green Leaf Transport	2,650	2,650	—	—	—	1,300	1,300
Tea Roads	9,820	9,820	—	—	—	3,100	3,100
Nursery Development	17,900	17,900	—	—	—	4,310	4,300
Tea Development Extension Costs	11,220	11,220	—	—	—	2,500	2,500
Administration and Corporate Costs	4,170	4,170	—	—	—	750	750
Total—T.T.A. ...	62,690	58,770	3,920	—	3,920	16,410	16,400

*NDCA or NBC.

TABLE P6

TANZANIA NATIONAL ELECTRIC SUPPLY COMPANY

Project Description	Total Capital Cost	Capital Expenditure 1970/1	Government Contribution 1970/1
Additional 33 KV Transmission lines and Sub-station. Minor H.T. and L.T. additions ...	77,688	19,788	—
Ubungo Thermal Sets 4, 5, 6	4,008	2,222	—
Kidatu Hydro Project	300,719	39,368	9,147
Mtwara/Lindi Transmission Lines	2,800	1,112	—
Transfer of Generating Sets from Mwanza to Tabora	34	34	—
Transfer of Generating Sets from Mwanza to Mbeya	86	86	—
Transfer of Generating Sets from Mwanza to Musoma	300	300	—
Mobile Generating Sets	300	300	—
Electrification of Small Townships	1,000	—	—
Kiwira Hydro Project	40,000	1,500	—
Mwanza Thermal Sets 9, 10	2,575	1,288	—
Electrification of Small Townships	4,000	250	—
Total—(TANESCO) ...	433,510	66,248	9,147

TABLE P7

STATE TRADING CORPORATION

Projects Description	1970/71 Capital Cost	1970/71 Government Contribution
1. Dar es Salaam Unified Office Complex	5,000,000	—
2. Dar es Salaam Groseries/Godown Complex	4,450,000	—
3. Pugu Road Export Godown Extension	50,000	—
4. New Export Godown	750,000	—
5. New Godown for General Merchandise	500,000	—
6. Centralized Godown Complex	2,500,000	—
7. Mwanza Godown/Offices	600,000	—
8. Arusha Godown/Offices...	450,000	—
9. Moshi Godown/Offices	1,200,000	—
10. Mbeya Godown/Offices	400,000	—
11. Tanga Godown/Offices	900,000	—
12. Iringa Godown/Offices	750,000	—
13. Mtwara Godown/Offices	570,000	—
14. Bukoba Godown/Offices	300,000	—
15. Songea Godown/Offices...	375,000	—
16. New Branches	3,500,000	—
Total—S.T.C. ...	21,920,000	—

TABLE P8

NATIONAL MILLING CORPORATION

Project Description	1970/1 Capital Expenditure ('000 Shs.)	Government Contribution ('000 Shs.)
Motor Vehicles for Various Units	450	—
Automatic Bakery	3,650	CIDA 4,000
Canning Unit	540	—
Distillery, Dodoma	3,000	—
Animals Feed Mill	490	—
Rice Mill Transportation to Morogoro and Mill Buildings... ...	300	—
Office Extension, Head Office	600	—
Office and Godown Canning Division	235	—
Laboratory Equipment	90	—
Low Cost Staff Housing	3,000	—
Wheat Mill, Sumbawanga	1,640	—
Total—N.M.C. ...	13,995	CIDA 4,000

TABLE P9

NATIONAL AGRICULTURAL PRODUCTS BOARD

Project Description	Capital Expenditure 1970/71	Government Contribution 1970/71
1. Tanga Godown	342,998	—
2. Dar es Salaam Godown...	3,000,000	—
3. Dar es Salaam Staff Houses—(FLAT)	1,500,000	—
4. Mtwara Godown...	1,500,000	—
5. Mtwara Staff Houses—(FLAT)	—	—
6. Musoma Manager's House	75,000	—
7. Mwanza Manager's House	75,000	—
8. Dar es Salaam Silo	5,000,000	—
9. Staff Houses for the Silo	440,000	—
10. Arusha Silo	300,000	—
11. Staff Houses for the Silo	375,000	—
12. Iringa Silo	—	—
13. Staff Houses for Iringa Silo	375,000	—
14. Dodoma Silo	—	—
15. Staff Houses for Dodoma Silo	360,000	—
Total—N.A.P.B. ...	13,433,000	Nil

Note:—Silos and Staff houses for the silos are to be financed from CIDA Loan.

TABLE P10

LINT AND SEED MARKETING BOARD

Project Description	Capital Expenditure 1970/71	Government Contribution 1970/71
Extensions to Kurasini Stores (Phase I)	750,000	—
Lift Trucks (1st Phase—one only)	80,000	—
Extra Bale Storage	400,000	—
Total—L. & S.M.B. ...	1,230,000	—

TABLE P11

TANZANIA TOBACCO BOARD

Name of the Project	Estimated Expenditure 1970/71	Government Contribution 1970/71
Auction floor at Morogoro including Storage facility and quarters	8,262,000	—
Total—T.T.B. ...	8,262,000	Nil

TABLE P12

NATIONAL DAIRY BOARD

Project Description	Total Capital Cost	Estimate 1970/71
Mara Dairy Project	12,000,000	5,000,000
Total—N.D.B. ...	12,000,000	5,000,000

TABLE P13

TANZANIA SISAL CORPORATION

Project Description	Capital Cost 1970/71	Government Contribution 1970/71
Azimio Ranch, Tanga...	794,000	546,000
Citrus Orachard	20,000	20,000
Cocoa Production	71,000	26,000
Total—T.S.C. ...	885,000	592,000

(B) Statistic Tables

A complete list of tables, covering both those in the text and those in the appendix, is at the end of this volume.

GROSS DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRIAL ORIGIN AT 1966 PRICES

Table 1 (Million Shillings)

	1966	1967	1968	1969*	Percentage change 1968/69
1. Agriculture, hunting, forestry and fishing	2,952	2,954	3,062	3,044	− 0·6
2. Mining and quarrying	192	183	137	135	− 1·5
3. Manufacturing and handicrafts ...	415	470	508	573	+ 12·8
4. Electricity and water supply	61	66	72	90	+ 25·0
5. Construction	217	296	320	332	+ 3·8
6. Wholesale and retail trade and restaurants and hotels	817	845	942	986	+ 4·7
7. Transport, storage and communications	484	554	640	654	+ 2·2
8. Finance, insurance, real estate and business services	579	645	661	700	+ 5·9
9. Public administration and other services	875	932	984	1,040	+ 5·7
10. G.D.P. at factor cost	6,592	6,935	7,326	7,554	+ 3·1
Subsistence Production:					
11. Agriculture, hunting, forestry and fishing	1,550	1,608	1,660	1,581	− 4·8
12. Construction	51	52	53	55	+ 3·8
13. Owner-occupied dwellings ...	461	474	486	501	+ 3·1
14. Total subsistence production ...	2,062	2,134	2,199	2,137	− 2·8
15. Total production in the monetary economy	4,530	4,801	5,127	5,417	+ 5·7
16. Total production	6,592	6,935	7,326	7,554	+ 3·1

Source:—Bureau of Statistics.

*Provisional estimates.

GROSS DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRIAL ORIGIN

Table 2 (Percentage)

	1966	1967	1968	1969*
1. Agriculture, hunting, forestry and fishing ...	44·8	41·5	40·2	39·5
2. Mining and quarrying	2·9	2·9	1·8	2·0
3. Manufacturing and handicrafts	6·3	6·9	7·0	7·6
4. Electricity and water supply	0·9	0·9	0·9	1·1
5. Construction	3·3	4·3	4·5	4·6
6. Wholesale and retail trade and restaurants and hotels	12·4	12·4	13·1	13·1
7. Transport, storage and communications ...	7·3	7·8	9·1	8·5
8. Finance, insurance, real estate and business services	8·8	9·6	9·6	9·6
9. Public administration and other services ...	13·3	13·7	13·8	14·0
10. G.D.P. at factor cost	100·0	100·0	100·0	100·0
Subsistence Production:				
11. Agriculture, hunting, forestry and fishing ...	23·5	22·9	22·3	21·3
12. Construction	0·8	0·8	0·8	0·8
13. Owner-occupied dwellings	7·0	7·0	7·0	6·9
14. Total subsistence production	31·3	30·7	30·1	28·9
15. Total production in the monetary economy ...	68·7	69·3	69·9	71·1
16. Total production	100·0	100·0	100·0	100·0

Source.—Bureau of Statistics.
*Provisional estimates.

GROSS DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRIAL ORIGINAL AT 1966 PRICES

Table 3 (Percentage)

	1966	1967	1968	1969*
1. Agriculture, hunting, forestry and fishing	44·8	42·6	41·8	40·3
2. Mining and quarrying	2·9	2·6	1·9	1·8
3. Manufacturing and handicrafts ...	6·3	6·8	6·9	7·6
4. Electricity and water supply	0·9	1·0	1·0	1·2
5. Construction	3·3	4·1	4·4	4·4
6. Wholesale and retail trade and restaurants and hotels	12·4	12·2	12·9	13·1
7. Transport, storage and communications	7·3	8·0	8·7	8·7
8. Finance, insurance, real estate and business services	8·8	9·3	9·0	9·2
9. Public administration and other services	13·3	13·4	13·4	13·7
10. G.D.P. at factor cost	100·0	100·0	100·0	100·0
Subsistence Production:—				
11. Agriculture, hunting, forestry and fishing	23·5	23·2	22·7	20·9
12. Construction	0·8	0·8	0·7	0·7
13. Owner-occupied dwellings	7·0	6·8	6·6	6·6
14. Total subsistence production	31·3	30·8	30·0	28·2
15. Total production in the monetary economy	68·7	69·2	70·0	71·8
16. Total production	100·0	100·0	100·0	100·0

Source.—Bureau of Statistics.
*Provisional estimates.

GROSS DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRIAL ORIGIN

Table 4 (Million Shillings)

	1966	1967	1968	1969*	Percentage change 1968/69
1. Agriculture, hunting, forestry and fishing	2,952	2,855	2,973	3,094	+ 4·1
2. Mining and quarrying	192	198	134	158	+ 17·9
3. Manufacturing and handicrafts ...	415	477	519	597	+ 15·0
4. Electricity and water supply	61	64	69	82	+ 18·8
5. Construction	217	296	331	358	+ 8·2
6. Wholesale and retail trade and restaurants and hotels	817	854	966	1,022	+ 5·8
7. Transport, storage and communications	484	538	677	662	— 2·2
8. Finance, insurance, real estate and business services	579	660	710	754	+ 6·2
9. Public administration and other services	875	941	1,019	1,092	+ 7·2
10. G.D.P. at factor cost	6,592	6,883	7,398	7,819	+ 5·7
Subsistence Production:					
11. Agriculture, hunting, forestry and fishing	1,550	1,574	1,646	1,664	+ 1·1
12. Construction	51	53	57	59	+ 3·5
13. Owner-occupied dwellings ...	461	485	521	539	+ 3·5
14. Total subsistence production ...	2,062	2,112	2,224	2,262	+ 1·7
15. Total production in the monetary economy	4,530	4,771	5,174	5,557	+ 7·4
16. Total production	6,592	6,883	7,398	7,819	+ 5·7

Source:—Bureau of Statistics.

*Provisional estimates.

CAPITAL FORMATION BY TYPE OF ASSET

Table 5

Million shillings

	1966	1967	1968	1969*
Buildings:				
1. Residential	55	73	90	108
2. Rural own-account residential	118	124	133	137
3. Non-residential	122	142	207	216
4. Total buildings	295	340	430	461
Other Works:				
5. Land improvement	8	12	11	14
6. Roads, ferries and bridges	55	70	95	198
7. Water supplies	23	31	37	53
8. Other works	77	203	157	97
9. Total other works	163	316	300	362
Equipment:				
10. Transport equipment	227	208	225	165
11. Other equipment	262	326	341	310
12. Total equipment	489	534	566	475
Other:				
13. Dairy and breeding cattle	32	50	38	23
14. Fixed capital formation	979	1,240	1,334	1,321
15. Increase in stocks	111	80	94	89
16. Capital formation	1,090	1,320	1,428	1,410
Of which, non-monetary:				
17. Rural own-account residential	118	124	133	137
18. Dairy and breeding cattle	32	50	38	23
19. Increase in stock (cattle)	32	52	43	24
20. Total non-monetary	182	226	214	184
21. Monetary	908	1,094	1,214	1,226
22. Monetary and non-monetary	1,090	1,320	1,428	1,410

Source.—Bureau of Statistics.
*Provisional estimates.

CAPITAL FORMATION BY TYPE OF ASSET AT 1966 PRICES

Table 6

Million shillings

	1966	1967	1968	1969*
Buildings:—				
1. Residential buildings	55	71	87	98
2. Rural own-account residential	118	121	124	127
3. Non-residential buildings	122	136	198	195
4. Total buildings	295	328	409	420
Other Works:—				
5. Land improvement	8	11	10	13
6. Other works	155	293	276	315
7. Total other works	163	304	286	328
Equipment:—				
8. Transport equipment 9. Other equipment	489	497	571	475
Other:—				
10. Dairy and breeding cattle	32	49	36	21
11. Fixed capital formation	979	1,178	1,301	1,244
12. Increase in stocks	111	80	81	88
13. Capital formation	1,090	1,258	1,382	1,332
Outside monetary economy:—				
14. Rural own-account residential	118	121	124	127
15. Dairy and breeding cattle	32	49	36	21
16. Increase in stocks (cattle)	32	50	40	23
17. Total non-monetary	182	220	200	171
18. Total monetary C.F.	908	1,038	1,182	1,161
19. Total capital formation	1,090	1,258	1,382	1,332

Source.—Bureau of Statistics.
*Provisional estimates.

CAPITAL FORMATION BY PUBLIC AND PRIVATE SECTOR

Table 7

Million shillings

	1966	1967	1968	1969*
1. Central Government	197	226	252	411
2. Local authorities including E.A. Community	19	22	50	84
3. E.A.C. enterprises	78	119	96	67
4. Parastatal enterprises	101	261	279	131
5. Total public sector	395	628	677	693
6. Private—monetary	434	438	486	468
7. Fixed capital formation—monetary ...	829	1,066	1,163	1,161
8. Increase in stocks	79	28	51	65
9. Capital formation—monetary ...	908	1,094	1,214	1,226
Non-monetary:—				
10. Private non-monetary—fixed capital formation	150	174	171	160
11. Increase in stocks (cattle)	32	52	43	24
12. Total non-monetary capital formation	182	226	214	184
13. Total capital formation (monetary and non-monetary)	1,090	1,320	1,428	1,410

Source.—Bureau of Statistics.
*Provisional estimates.

CAPITAL EXPENDITURE ON BUILDINGS

Table 8

Million shillings

	1968	1969
(A) RESIDENTIAL:		
for: Central Government	4·6	5·6
Local Government East African Community, etc. ...	14·2	24·5
Parastatals* and East African Corporations	16·5	16·9
Sub-Total—Public Sector ...	35·2	47·0
Slum clearance and tenant purchase†	17·5	15·0
Missions	6·4	7·1
Private Urban, etc.	31·5	39·3
Sub-Total—Private Monetary Sector ...	55·4	61·4
TOTAL—MONETARARY ...	90·6	108·4
(B) OWN ACCOUNT RURAL	133·0	137·4
TOTAL RESIDENTIAL ...	223·6	245·8
(C) NON-RESIDENTIAL:		
for: Central Government	58·9	82·4
Local Government, East African Community, etc. ...	25·5	45·3
East African Corporations	14·6	10·0
Parastatal Enterprises	71·3	38·2
Sub-Total—Public Sector ...	170·3	175·9
Private Sector	37·0	38·4
TOTAL NON-RESIDENTIAL ...	207·3	214·3
(D) GRAND TOTAL—BUILDINGS	430·9	460·1

Source.—Central Statistical Bureau.

*Of which, by National Housing Corporation for direct rental purposes, Shs. 4·6 million i 1968 and 3·3 million in 1969.

†For private sector, wholly by National Housing Corporation.

Note.—Some data are derived from balance sheets. To the extent that assets were gaine by acquisition, the value of new construction is overstated. Own-account rur housing is assumed to grow in line with the product of the price index and growt of the rural population.

UNIT EXPORT PRICE* OF PRINCIPAL COMMODITIES

Table 10

Shillings/ton

Commodity	1962	1965	1966	1967	1968	1969	Change 1968/69 (%)
Cotton, raw	4,538	4,420	4,127	4,206	4,572	4,205	− 8·0
Coffee, unroasted ...	5,129	6,155	6,106	5,409	5,479	5,277	− 3·7
Sisal, fibre	1,472	1,394	1,232	1,018	853	943	+ 10·6
Cashewnuts	790	1,290	1,406	1,321	1,361	1,470	+ 8·0
Tea	8,266	7,159	7,236	7,244	6,810	5,782	− 15·1
Meat and meat preparations(1)	6,794	6,830	7,171	7,558	8,782	7,201	− 18·0
Sesame seed	1,366	1,364	1,676	1,843	2,003	1,568	− 21·7
Castor seed	890	821	811	935	1,287	1,027	− 20·2

Source.—East African Customs and Excise Department.

*f.o.b. Including export levy.

(1)SITC Division 01.

VOLUME OF DOMESTIC EXPORTS*

Table 10a

Principal Commodities	Unit	1962	1965	1966	1967	1968	1969	Change 1968/69 (%)
Coffee	'000 tons	25·7	27·8	49·8	43·7	48·4	48·7	+ 0·6
Cotton	'000 tons	32·6	55·3	84·8	59·8	61·9	55·8	+ 9·9
Diamonds	'000 carats	647·5	828·4	905·7	987·6	682·7	780·2	+14·3
Sisal	'000 tons	219·5	210·2	195·8	201·2	186·1	169·2	− 9·1
Cloves	'000 tons	7·7	8·5	14·2	17·0	12·0	7·2	−40·0
Cashewnuts	'000 tons	59·0	63·6	71·1	69·8	78·4	80·9	+ 3·2
Tea	'000 tons	3·9	4·2	6·2	6·0	6·6	8·4	+27·3
Meat and meat preparations	'000 tons	6·9	5·6	8·0	6·4	4·9	5·7	+16·3
Hides and skins	'000 tons	6·8	7·0	6·6	5·2	5·7	6·8	+19·3
Tobacco	'000 lb.	905	4,674	5,232	9,032	11,059·8	4,444·8	−59·8
Oil seeds, nuts and kernels	'000 tons	48·7	47·6	50·7	41·9	48·2	21·0	−56·4

Source.—East African Customs and Excise Department.
*Includes Zanzibar.

EXPORT PRICE INDICES OF PRINCIPAL COMMODITIES (1960=100·0)

Table 11

Commodity	1962	1965	1966	1967	1968	1969
Cotton, raw	99·9	97·3	90·9	92·6	100·7	92·6
Coffee, unroasted	87·6	105·1	103·2	91·4	92·5	90·1
Sisal, fibre	96·5	91·3	80·7	66·7	56·0	61·8
Cashewnuts	68·2	111·5	121·4	114·1	111·9	126·9
Tea	113·5	98·3	99·4	99·4	93·5	79·4
Meat and meat preparations(1)...	95·1	95·6	102·0	107·5	124·9	100·8
Castor seed	93·5	86·2	85·2	98·2	114·9	107·9
Sesame seed	115·0	114·8	141·1	155·2	126·6	132·0

Source.—East African Customs and Excise Department.
(1) SITC Division 01.

VALUE OF DOMESTIC EXPORTS*

Table 12

Million shillings

Principal Commodities	1962	1965	1966	1967	1968	1969	Change 1968/69 (%)
Coffee	132	172	301	237	265	257	− 3·0
Cotton	148	244	350	251	283	235	− 17·0
Diamonds	109	142	186	223	135	178	− 31·9
Sisal	315	286	235	201	159	160	+ 0·6
Cloves	42	46	74	90	60	152	+153·3
Cashewnuts	47	83	100	92	107	119	+ 11·2
Petroleum products ...	—	—	5	133	162	105	− 35·2
Tea	32	29	45	43	45	48	+ 6·7
Meat and meat preparations	46	38	57	48	43	47	+ 9·3
Hides and skins ...	30	30	43	29	31	36	+ 16·1
Tobacco	2	10	16	34	40	35	− 12·5
Oil seeds, nuts and kernels	46	57	53	45	45	24	− 46·7
Other commodities ...	127	176	203	219	210	271	+ 29·0
TOTAL ...	1,076	1,313	1,668	1,645	1,585	1,667	− 5·2

DESTINATION OF DOMESTIC EXPORTS*

Table 13

Million shillings

Area	1962	1965	1966	1967	1968	1969	Change 1968/69 (%)
United Kingdom ...	373	382	486	473	385	429	+ 11·4
India	85	107	129	108	115	132	+ 14·8
Hong Kong	78	103	141	113	126	103	− 18·3
Other Sterling area ...	73	91	61	193	237	227	− 4·2
European Economic Community ...	239	241	224	250	216	209	− 3·2
North America ...	113	117	169	117	93	144	+ 54·8
Japan	43	35	97	67	108	82	− 24·1
C.M.E.A. countries ...	3	22	36	56	27	45	+ 66·7
China	—	95	69	59	55	78	+ 41·8
Other	69	120	256	209	223	218	− 2·2
TOTAL ...	1,076	1,313	1,668	1,645	1,585	1,667	+ 5·2

Source.—East African Customs and Excise Department.

*Includes Zanzibar.

TOTAL IMPORTS*
BY DIVISION

Table 14

Million shillings

Division/Croup	1964	1965	1966	1967	1968	1969
Food and Live Animals	130	153	196	177	164	148
Beverage and Tobacco	53	39	33	33	14	15
Crude materials	18	16	18	77	29	27
Mineral fuels and lubricants ...	82	85	114	142	167	174
Animal and Vegetable oil and fats	6	11	16	13	17	23
Chemicals and Fertilizers ...	107	116	135	110	119	165
Manufactured Goods	425	492	574	525	565	501
Leather and Rubber	24	28	28	45	41	43
Wood and Paper	28	34	46	44	64	57
Other Textiles	205	199	302	157	182	166
Cement	17	18	18	11	19	16
Other non-metallic Mineral Manufactures	15	15	18	14	12	24
Iron and Steel Manufactures ...	62	62	59	139	117	86
Non-ferrous Manufactures ...	79	18	21	10	17	22
Other Metal Manufactures ...	49	107	82	105	113	87
Machinery and Transport Equipment	272	327	424	474	538	479
Cars	28	24	36	28	32	35
Other Transport	86	105	166	183	211	161
Other Machinery	145	187	222	263	295	283
Miscellaneous Manufactures ...	130	131	133	102	164	154
Miscellaneous Transactions ...	36	35	48	32	57	24
TOTAL ...	1,259	1,405	1,691	1,625	1,834	1,710

Source.—East African Customs and Excise Department.

*Includes Zanzibar.

TOTAL IMPORTS* BY MAIN CLASS

Table 15 — Million Shillings

Class of item	1962	1965	1966	1967	1968	1969	Change 1968-69 (%)	1962–69 Average Compound growth rate (%)
Consumer goods ...	542	599	723	570	597	521	−12·7	−0·6
Intermediate goods ...	158	213	263	303	286	354	+12·4	+12·2
Transport equipment ...	102	131	199	214	243	197	−18·1	+ 9·8
Capital goods	295	432	459	507	678	604	−10·9	+10·8
Miscellaneous ...	30	30	47	31	30	33	+10·0	+ 1·4
Total ...	1,127	1,405	1,691	1,625	1,834	1,710	− 6·8	+ 7·6
As per cent of Total:								
Consumer goods ...	48	43	43	35	33	31	—	—
Intermediate goods	14	15	16	19	16	21	—	—
Transport equipment ...	9	9	12	13	13	11	—	—
Capital goods	26	31	27	31	37	35	—	—
Miscellaneous ...	3	2	2	2	1	2	—	—
Total ...	100	100	100	100	100	100	—	—

Source.—E.A. Customs and Excise Department.

*Includes Zanzibar.

SOURCE OF NET IMPORTS*

Table 16 — Million shillings

Year	1962	1965	1966	1967	1968	1969	Change 1968/69 (%)
United Kingdom ...	296	337	412	382	424	378	−10·8
India	61	72	70	43	54	48	−11·1
Hong Kong	17	20	36	26	43	34	−20·9
Other Sterling area ...	75	39	31	45	61	58	− 4·9
European Economic Community ...	126	227	292	344	374	317	−15·2
North America ...	58	63	96	137	95	88	− 7·4
Japan	111	100	93	69	120	130	+ 8·3
C.M.E.A. Countries ...	11	26	39	45	47	34	−27·7
China	—	40	80	72	86	79	− 8·1
Other	130	144	210	182	228	253	+11·0
Total ...	885	1,068	1,359	1,345	1,532	1,419	−7·4

Source.—East African Customs and Excise Department.

*Includes Zanzibar.

Table 17

VALUE OF TANZANIA'S* INTER-EAST AFRICAN TRADE

	KENYA			UGANDA			TOTAL			Volume of Trade
	Imports From	Exports To	Trade Balance	Imports From	Exports To	Trade Balance	Exports	Imports	Trade Balance	
1962	207	56	−151	35	9	−26	65	242	−177	307
1964	271	87	−184	49	20	−29	107	320	−213	427
1965	285	94	−191	52	27	−25	121	337	−216	458
1966	269	81	−188	63	17	−46	98	332	−234	430
1967	231	68	−163	49	15	−34	83	280	−197	363
1968	261	74	−187	41	17	−24	91	302	−211	393
1969	257	80	−177	34	24	−10	104	291	−187	395
Change 1968/69 (%)	−1·5	+8·1	+5·3	−17·1	+41·2	+58·3	+14·3	−3·6	+11·4	+0·5

Source.—E.A. Customs and Excise Department.

*Includes Zanzibar.

VALUE OF EXPORTS TO EAST AFRICA*

Table 18 — Million shilling

Principal Commodities	1962	1965	1966	1967	1968	1969	Change 1968/69 (%)
Meat and meat preparations	1·6	2·5	2·3	2·3	1·3	1·3	—
Cereals and cereal preparations ...	5·0	8·0	0·9	2·8	0·9	0·6	—33·3
Dairy products and margarine	3·4	1·9	1·2	0·6	0·8	0·2	—75·0
Beans, peas and other legumes	5·7	6·9	5·7	6·4	4·3	6·3	+46·5
Other food products ...	8·9	15·6	3·8	7·2	4·1	25·6	+524·4
Tobacco	1·3	12·8	7·2	5·7	—	3·4	. .
Vegetable oils	8·1	15·2	10·3	8·4	13·7	6·8	50·4
Chemicals	0·8	1·1	1·9	2·6	3·2	4·8	+50·0
Cotton piece-goods ...	1·6	2·3	1·9	1·5	1·4	1·6	+14·3
Clothing	0·2	2·0	1·1	1·3	3·2	4·5	+40·6
Footwear	3·8	5·2	5·0	2·1	1·4	1·6	+14·3
Other manufactured goods	11·8	19·1	22·7	11·9	11·9	20·4	+71·4
Aluminium circles ...	—	10·4	7·9	5·4	6·8	6·1	—10·3
Miscellaneous	12·6	18·2	26·2	24·8	37·4	20·7	—44·7
TOTAL ...	64·8	121·2	98·1	83·0	90·4	103·9	+14·9

Source.—East African Customs and Excise Department.
*Includes Zanzibar.

VALUE OF IMPORTS FROM EAST AFRICA

Table 19 — Million shilling

Principal Commodities	1962	1965	1966	1967	1968	1969	Change 1968/69 (%)
Meet and meat preparations	7·7	3·2	3·4	4·6	2·8	2·9	+ 3·6
Cereals and cereal preparations ...	23·4	22·8	11·7	20·6	18·3	10·6	— 42·1
Dairy products and margarine	7·3	12·5	19·6	15·7	12·3	14·1	+ 14·6
Other food products ...	21·4	20·5	13·5	22·6	26·3	31·4	+ 19·4
Beer	12·6	14·3	9·0	5·6	4·3	2·2	— 48·8
Cigarettes	28·8	8·2	3·7	4·3	—	—	—
Petroleum products ...	0·2	57·2	43·4	35·1	28·4	30·7	+ 8·1
Chemicals(1)	9·0	22·2	20·0	21·2	28·9	34·0	+ 17·6
Cement...	11·3	17·6	16·0	10·9	18·7	14·1	— 24·6
Cotton piece-goods ...	18·4	23·9	31·4	16·9	0·1	2·9	+2,800·0
Clothing	14·4	20·8	3·6	3·0	11·5	7·9	— 31·3
Footwear	10·3	14·5	13·1	6·5	10·3	8·4	— 18·4
Soaps	11·7	13·0	12·8	5·8	13·3	9·2	— 30·8
Other manufactured goods	35·3	51·4	68·9	68·9	65·0	88·9	+ 36·8
Miscellaneous	24·0	34·6	61·6	38·4	51·4	24·7	— 52·3
TOTAL ...	241·8	336·7	331·7	280·1	302·0	291·2	— 3·6

(1) Excluding so

TANZANIA TRADE WITH OTHER NEIGHBOURING COUNTRIES

(Shs. '000)

Table 20

Year	Zambia		Congo Kinshasa		Burundi		Rwanda		Somalia	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
1964 ...	2,306	2,374	2,362	361	2,986	481	728	—	3,033	37
1965 ...	3,289	6,667	1,767	155	3,074	344	1,617	—	2,329	184
1966 ...	8,135	4,324	1,431	81	2,601	539	703	—	2,185	—
1967 ...	122,646	4,100	2,566	229	10,893	262	494	—	3,804	—
1968 ...	144,926	1,194	3,374	2,559	13,860	255	400	—	1,568	—
1969 ...	105,571	3,955	5,045	787	17,739	523	485	—	1,355	—

Note:—Exports refer to "Domestic Exports".
Imports refer to "Net Imports".

Source.—Annual Trade Reports (E.A.C.).

TOTAL WAGE EMPLOYMENT BY INDUSTRY

Table 22

Number

Industry	1964	1966	1967	1968	1969*	Change 1968/69 (%)
Estate Agriculture	163,589	126,223	123,887	109,213	115,508	+ 5·8
Mining and Quarrying	8,035	6,191	6,493	6,121	5,919	— 3·3
Manufacturing	23,583	29,890	31,186	35,359	40,323	+14·0
Construction	33,740	37,460	41,929	47,305	52,767	+11·5
Public Utilities	4,637	5,303	7,093	9,601	9,755	+ 1·6
Commerce	17,341	20,935	20,077	21,413	18,692	— 12·7
Transport and Communications	25,670	26,560	26,725	31,764	32,389	+ 2·0
Services	74,662	82,935	86,351	90,933	92,573	+ 1·8
Total ...	351,257	336,497	346,741	351,711	367,926	+ 4·6
Index (1964=100·0)	100·0	95·8	98·7	100·1	104·7	—
Non-Agricultural Employment...	187,668	200,276	222,854	242,499	252,418	+ 4·1
Index (1964=100·0)	100·0	106·7	118·7	128·2	134·5	—

Source.—Bureau of Statistics.

*Provisional.

TOTAL WAGE EMPLOYMENT AND EARNINGS BY ECONOMIC ZONE

Table 23

	Number			Change 1968/69 (%)	Wage Bill* (Shs. Million)			Change 1968/69 (%)
	1967	1968	1969		1967	1968	1969(1)	
Zone I:								
Dar es Salaam	65,246	70,655	71,788	+ 1·6	400·3	432·0	464·0	+ 7·4
Coast and Morogoro	45,427	44,633	46,349	+ 3·8	145·5	135·4	145·6	+ 7·5
Sub-Total ...	110,673	115,288	118,137	+ 2·5	545·8	567·4	609·6	+ 7·4
Zone II:								
Tanga	61,504	54,256	56,562	+ 4·3	165,0	158·0	152·7	— 3·4
Arusha and Kilimanjaro	52,776	52,911	52,736	— 0·3	154·7	156·0	161·4	+ 3·5
Sub-Total ...	114,280	107,167	109,298	+ 2·0	319·7	314·0	314·1	—
Zone III:								
Mtwara and Ruvuma	18,371	20,151	22,497	+11·6	56·4	59·7	69·8	+16·9
Zone IV:								
Iringa and Mbeya	35,694	37,123	39,652	+ 6·8	76·8	99·3	97·2	— 2·1
Zone V:								
Tabora and Kigoma	15,266	17,559	17,164	— 2·2	50·5	61·7	63·3	+ 2·6
Zone VI:								
Mwanza, Shinyanga and West Lake... ...	40,464	41,264	45,713	+10·8	159·7	165·7	178·0	+ 7·4
Zone VII:								
Dodoma and Singida	11,993	13,159	15,465	+17·5	40·0	48·9	52·8	+10·0
Total ...	346,741	351,711	367,926	+ 4·6	1,248·8	1,315·8	1,384·8	5·2

Source.—Bureau of Statistics.
*Includes value of free rations.
(1) Provisional.

TOTAL ANNUAL WAGE BILL* BY INDUSTRY

Table 24

Industry	1964 (Mil. Shs.)	1966 (Mil. Shs.)	1967 (Mil. Shs.)	1968 (Mil. Shs.)	1969 (Mil. Shs.)	Change 1968/69 per cent
Estate Agriculture	269·6	255·7	248·6	214·5	228·6	+ 6·6
Mining and Quarrying	33·8	32·8	33·3	33·1	33·5	+ 1·2
Manufacturing	83·2	126·1	140·8	162·0	185·8	+14·7
Construction	82·4	98·6	118·5	125·1	139·5	+11·5
Public Utilities	17·2	23·2	24·8	32·1	30·0	— 6·5
Commerce	92·9	121·3	127·6	138·6	148·4	+ 7·1
Transport and Communications	110·0	139·1	154·3	171·2	173·2	+ 1·2
Services	286·1	375·0	400·0	439·2	445·8	+ 1·5
Total ...	975·2	1,171·8	1,248·8	1,315·8	1,384·8	+5·2
Index (1964=100·0)	100·0	120·2	128·1	134·9	142·0	—

Source.—Bureau of Statistics.
*Cash earnings and value of free rations.

AVERAGE CASH WAGES OF ADULT MALE CITIZENS

Table 25

Shs. per Month

Industry	1967	1968	1969*	Change 1968/69 (%)
Enterprise Sector:				
Estate Agriculture	162	158	164	+3·8
Mining and Quarrying	325	360	370	+2·8
Manufacturing	328	331	333	+0·6
Construction	306	343	319	—7·0
Public Utilities	335	408	391	—4·2
Commerce	470	519	517	—0·4
Transport and Communications	472	462	435	—5·8
Services	375	369	388	+5·1
Total Enterprise Sector	277	298	305	+2·2
Total Public Sector	299	309	319	+3·2
Grand Total	286	304	312	+2·6

Source.—Bureau of Statistics.
*Estimates.

ADULT MALE CITIZEN EMPLOYEE* BY WAGE GROUP

Table 26

Wage Group (Shs./Month)	Number			Proportion		
	1967	1968	1969	1967	1968	1969
Less than 100/-	3,866	12,714	11,682	5·9	5·3	4·7
100—149/-	52,074	52,769	51,718	22·3	21·8	20·8
150—199/-	68,199	69,847	66,005	29·2	28·8	26·7
200—299/-	43,981	42,988	49,250	18·9	17·7	19·8
300—39 /-	21,594	25,157	26,341	9·3	10·4	10·6
400—499/-	9,0 2	10,062	10,485	3·9	4·2	4·2
500—749/-	12,899	15,287	17,765	5·5	6·3	7·2
300—399/-	21,594	2 ,157	26,341	9·3	10·4	10·6
400—49 /-	9,0 2	10, 62	10,485	·9	4·2	4·2
500—74 /-	,899	1 ,287	17,765	5·5	·3	7·2
750—999/-	4,391	4,986	5,550	1·9	2·1	2.2
1,000 and Over	7,144	8,288	9,448	·1	3·4	3·8
Total ...	233,230	242,098	248,244	100·0	100·0	100·0

Source.–Bureau of Statistics.

*Excluding casual workers.

(1) Estimate.

RETAIL PRICE INDEX OF GOODS CONSUMED BY MINIMUM WAGE EARNERS—DAR ES SALAAM

A=All Items, B=Food (December, 1961=100)

Table 27

Year	January		March		May		June		July		September		November		December		Average	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
1962 ...	97	97	98	99	98	99	94	95	97	97	95	96	98	99	101	103	97	98
1963 ...	95	96	94	95	94	93	94	95	95	96	94	94	94	95	94	95	94	95
1964 ...	97	96	95	94	94	94	97	96	97	97	96	94	96	95	94	95	96	95
1965 ...	99	98	99	98	100	98	102	101	102	101	103	102	106	105	106	107	102	101
1966 ...	106	106	105	104	108	108	108	107	108	107	108	107	106	103	109	107	102	101
1967 ...	106	103	106	103	112	111	112	110	112	111	111	110	110	107	112	108	110	108
1968 ...	114	112	111	107	115	112	112	109	114	110	114	109	116	111	114	108	114	110
1969 ...	117	110	113	106	115	109	114	106	115	108	116	107	114	106	117	109	115	108

Source.—Bureau of Statistics.

Note.—Price Statistics are collected in the stated months.

COST OF LIVING INDEX OF GOODS AND SERVICES CONSUMED BY MIDDLE—GRADE CIVIL SERVANTS—DAR ES SALAAM

(BASE: SEPTEMBER, 1963=100·0)

Table 28

YEAR	MONTHS*				
	March	June	September	December	Average
1963	—	—	100·0	102·8	—
1964	102·1	108·1	109·5	107·5	106·8
1965	109·9	114·3	113·7	115·7	115·3
1966	117·6	118·1	119·3	120·4	119·2
1967	121·8	125·6	124·1	126·3	124·7
1968	126·7	126·9	130·0	129·1	128·2
1969	129·4	129·6	129·9	130·1	129·8
1970	130·3	—	—	—	—

Source.—Bureau of Statistics.

*Price Statistics are only collected in the stated months.

COMMERCIAL BANKS—DEPOSITS AND ADVANCES

Table 29

Period	Deposits (million Shs.)	Advances (million Shs.)	Security Holdings (million Shs.)	Ratio of Advances to Deposits	Liquidity Ratio	Net External Balance (million Shs.)
1968 January	1,031·5	775·0	42·7	75·1	19·0	122·3
March	1,035·5	719·4	49·6	69·5	28·7	175·5
June	1,069·9	739·2	67·5	69·1	24·2	135·2
September	1,229·6	1,031·9	59·6	83·9	16·4	115·8
December	1,288·5	941·4	143·6	73·1	23·8	102·8
1969 January	1,188·9	924·4	121·6	77·7	21·3	118·9
March	1,260·1	867·6	147·2	68·9	23·0	147·5
June	1,374·3	927·4	166·4	67·5	25·3	179·1
September	1,445·1	1,075·0	175·8	74·4	21·1	211·8
December	1,595·6	1,126·6	183·7	70·6	24·0	248·6
1970 January	1,443·2	1,023·8	162·1	70·9	22·8	262·2
February	1,517·1	1,517·4	162·1	67·0	24·2	311·3

Source.—Bank of Tanzania.

COMMERCIAL BANK—CREDIT BY ECONOMIC SECTORS

Table 30

Sector Period		Agriculture	Manufacturing	Building and construction	Trade	Agricultural Co-operatives	Marketing Boards	Export produce	All Other	Total
1968	March	105·5	111·4	30·6	141·5	97·9	6·4	133·7	62·8	689·8
	June	106·2	125·7	27·8	164·1	102·3	11·2	94·1	74·2	705·6
	September	100·4	129·1	37·0	185·2	130·1	13·1	113·4	76·7	985·0
	December	99·4	134·8	41·3	178·4	155·5	43·7	159·2	77·3	898·6
1969	March	109·6	158·3	42·6	176·7	58·6	63·8	123·8	84·3	827·7
	June	102·0	181·0	33·2	198·0	173·7	33·2	102·1	75·6	898·8
	September	97·5	177·9	36·9	204·9	210·9	37·9	143·7	98·6	1,037·4
	December	109·6	196·1	40·8	266·5	188·2	82·5	141·2	107·7	1,092·6
1970	January	124·9	202·6	37·9	252·3	49·9	66·9	133·7	118·1	986·4
	February	114·6	214·1	39·2	252·7	47·7	51·7	141·7	127·9	989·5

NATIONAL PROVIDENT FUND STATISTICS

Table 31

Financial Year*	Numbers of Employers	Numbers of Members	Receipts ('000 Shs.)			Payments ('000 Shs.)			
			Value of Contributions	Investment Income	Total	Investment	Administration	Benefit payment	Total
1964/65	1,122	134,003	1,014	—	1,014	—	500	—	500
1965/66	2,077	236,396	35,616	667	36,283	33,848	2,062	156	36,066
1966/67	2,374	308,654	49,000	3,361	52,361	48,336	2,999	726	52,061
1967/68	4,039	363,710	48,614	7,426	56,040	50,951	2,177	2,379	55,304
1968/69	5,830	411,009	49,528	9,254	58,782	50,326	2,691	6,599	59,616
1969/70†	6,670	468,600	53,000	12,612	64,484	57,282	3,761	8,370	69,413
1970/71 Projection	7,440	524,907	63,000	14,000	77,000	64,000	5,262	10,000	79,262
1968/69 First Half	5,200	390,342	20,151	4,468	24,619	20,987	1,409	3,285	25,681
1969/70 First Half	6,184	441,767	25,711	5,833	31,544	28,584	1,467	4,524	34,575

Source.—Social Security Division, Ministry of Communications, Transport and Labour.

*Ending 30th June.

†Estimates.

CENTRAL GOVERNMENT ROADS

Table 46

Miles

As at 31st July	Type of Roads			
	Bitumen	Engineered Gravel	Earth	Total
1964	810	626	8,674	10,110
1965	797	617	8,705	10,119
1966	838	794	8,472	10,104
1967	902	622	8,621	10,145
1968	1,051	671	8,654	10,376
1969	1,174	643	8,582	10,399
1970	1,388	692	8,410	10,490
1970*	2,234	1,113	13,534	16,881
1970*:—				
(i) Roads under construction	496	—	—	496
(ii) Ready for tender or about to start	115	—	—	115
(iii) Awaiting negotiations of external finance	—	—	—	—

Source.—Roads and Aerodromes Division, Ministry of Communications, Transport and Labour.

*Kilometres

MOTOR VEHICLES—TOTAL LICENSED

Table 47

Year	Motor Cars	Light Commercial Vehicles (1)	Private Motor Cycles etc.	Lorries and Trucks (5)	Government Vehicles (2)	Tractors, etc. (3)	Others (4)	Total
1960–62	17,461	7,771	4,302	6,206	3,303	1,520	1,896	42,459
1964	22,854	8,454	5,221	7,301	4,391	3,712	1,978	53,911
1965	22,985	8,557	5,415	7,215	4,238	3,859	2,153	54,422
1966	25,877	9,884	6,449	9,004	5,320	4,439	2,472	63,445
1967	28,748	11,213	7,292	10,461	6,534	5,644	2,761	72,653
1968	26,809	10,648	6,959	10,750	4,003	4,274	2,650	66,093
1969	29,784	12,205	7,989	11,578	4,872	5,781	3,126	75,335
Percentage change 1968/1969	+11·1	+14·6	+14·8	+7·7	+21·7	+35·3	+18·0	+14·0
Annual Growth Rate 1960–62/69	+7·9	+10·7	+9·2	+9·2	+5·7	+21·1	+7·4	+10·8

Source.—Central Registry of Motor Vehicles.

(1) Pick-ups, Vans, Land Rovers, etc.
(2) Includes Government Motor Cycles.
(3) Tractors, Tankers, Cranes, Trailers, etc.
(4) Omnibuses, Coaches, Ambulances, Caravans, etc.
(5) From 1968 onwards Tankers have been included with Lorries and Trucks.

MOTOR VEHICLES—NEW REGISTRATIONS

Table 48

Year	Motor Cars	Light Commercial Vehicles (1)	Private Motor Cycles etc,.	Lorries and Trucks (5)	Government Vehicles (2)	Tractors, etc. (3)	Others (4)	Total
1960–62	3,444	1,009	826	878	367	462	309	7,295
1964	3,210	1,095	802	1,112	574	981	356	8,130
1965	2,273	1,130	962	811	1,181	1,061	391	7,809
1966	2,980	1,417	972	1,813	1,082	687	325	9,276
1967	2,863	1,333	926	1,453	1,119	710	287	8,691
1968	3,134	1,660	1,011	1,470	1,084	862	478	9,699
1969	3,114	1,645	1,021	1,334	869	818	507	9,308
Percentage change 1968/69	−0·6	−0·9	+1·0	−9·3	−19·8	−5·1	+6·1	−4·0
Annual Growth Rate 1960–62/69 ...	−0·8	+7·3	+3·0	+6·2	+13·1	+8·5	+7·3	+3·5

Source:—Central Registry of Motor Vehicles.

(1) Pick-ups, Vans, Land Rovers, etc.
(2) Includes Government Motor Cycles.
(3) Tractors, Tankers, Cranes, Trailers, etc.
(4) Omnibuses, Coaches, Ambulances, Caravans, etc.
(5) From 1968 onwards Tankers have been included with Lorries and Trucks.

RAILWAY STATISTICS

Table 49

Traffic	Unit	1964	1965	1966	1967	1968	1969*	Change 1968/69 %
Goods traffic ...	Million ton-miles	409	470	565	574	565	646	+14·3
Passengers ...	thousands	1,743	1,708	1,759	2,378	2,559	3,389	+32·4
Rolling Stock:—								
Locomotives ...	number	143	149	156	158	158	155	−1·9
Carriages ...	number	114	118	111	111	109	119	+9·2
Wagons(1) ...	number	3,812	4,036	3,462	3,246	3,126	3,224	+3·1

Source:—E.A. Railways Corporation.

*Provisional.

(1) This is the basic Tanzanian stock. In addition, other units are in constant circulation between the three East African Countries and are consequently available for use in Tanzania.

EAST AFRICAN AIRWAYS OPERATING STATISTICS 1963/69

Table 50

Item	Unit	1964	1965	1966	1967	1968	1969
Ton kms. sold	'000	48,782	54,540	63,264	80,981	97,497	90,195
Passengers carried...	'000	236	242	282	344	422	450
Passengers kms. ...	'000	361,230	360,522	437,910	604,776	721,918	698,197
Mail ton kms. ...	'000	2,711	2,962	2,766	2,629	3,318	3,145
Cargo ton kms. ...	'000	11,075	16,767	17,799	19,382	24,289	26,061
Passenger load factor	%	54·3	50·5	53·9	49·5	49·7	46·6
Gross revenue ...	Million Shs.	165	177	208	261	298	330

Source.—East African Airways Corporation—Nairobi Airport.

. . Means not available.

Note:—The figures given in this table refer *only* to Scheduled Services.

ZAMBIA TRANSIT TRADE THROUGH DAR ES SALAAM PORT, 1966-69
(In '000 Tons)

Table 52

Year	Imports Destined for Zambia via Dar es Salaam			Total Zambia Imports Through Dsm.	Total Imports Handled at Dsm. Port	Zambia-Bound Imports as Percentage of Dsm. Imports (5/6)	Zambia Copper Exports Through Dsm.	Total Exports Handled at Dsm. Port	Zambia Copper Through Dsm. as Percentage of Total Dsm. Exports (8/9)	Total Zambia Exports and Imports Through Dsm. Port	Total Exports and Imports Handled Dsm. Port	Zambia Exports and Imports Through Dsm. as Percentage of Total Dsm. Exports and Imports (11/12)
1	2	3	4	5	6	7	8	9	10	11	12	13
1966 ...	3	15	—	18	417	4	39	317	12	57	733	8
1967 ...	46	8	—	54	555	10	189	375	50	243	930	26
1968 ...	71	4	4	80	591	14	222	382	58	302	973	32
1969 ...	102	4	1	106	624	17	231	435	53	337	1,059	32

Source.—E.A.H.C.

Data exlude petroleum and products.

INVESTMENT BY EAST AFRICAN CORPORATIONS[1] IN TANZANIA

Table 53 — 1969–71[2] (Shs. million)

	1969	1970	1971	Total
E.A. Railways	**55·1**	**46·3**	**60·2**	**161·6**
Of which, Railway Line:				
Improvement	36·9	34·3	15·3	86·5
Rolling Stock[3]	13·4	7·0	35·5	55·9
Other	4·8	5·0	9·4	19·2
E.A. Harbours	**41·0**	**59·8**	**61·0**	**161·8**
Of which, Dar es Salaam Berths	41·0	46·0	53·0	139·0
MSPM[4]/Buoy (est.)	0	6·0	8·0	15·0
Other (est.)	0	7·8	0	7·8
E.A. Posts and Telecoms	**9·3**	**25·2**	**18·3**	**52·8**
Others (est.)	4·0	4·0	4·0	12·0
TOTAL ... Shs.	109·4	135·3	143·5	389·2

(1)Excluding E.A. Airways.

(2)Calendar years.

(3)On the arbitrary assumption that ⅓ of the E.A. expenditure relates to Tanzania.

(4)Mjimwema Single Point Mooring Buoy.

ELECTRICITY SALES

Table 54 — Million kWh.

Year	Local Sales						Power Station Use and Transmission Losses	Total Units Generated
	Domestic	Commercial	Maximum* Demand	Light Industrial	Public Lighting	Total Sales		
1960/62	..	..	..	..	..	144·65	21·48	166·13
1963	..	..	..	..	..	162·94	22·63	185·57
1964	..	..	..	..	..	167·89	24·45	192·34
1965	..	..	..	..	..	180·05	33·19	213·24
1966	47·53	33·18	120·50	10·97	2·71	214·88	37·57	252·45
1967	49·37	34·25	141·91	11·95	2·90	240·38	41·63	282·01
1968	52·22	36·98	160·15	13·64	3·20	266·19	47·16	313·35
1969	58·15	42·45	187·66	15·06	3·46	306·78	51·54	358·32
Percentage change 1968/69	+11·4	+14·8	+17·2	+10·4	+8·1	+15·2	+9·2	+14·4
Annual growth rate 1960/62/69	..	..	..	..	..	+11·6	+13·3	+11·6

Source.—Tanzania Electric Supply Co. Ltd.

*Any installation where the maximum demand exceeds 40 kVa and all demands in excess of 75 kVa.

.. Means not available.

ELECTRICITY INSTALLED POWER AND POWER SALES

Table 55

Area	Power Installed (megawatts)			Power Sales (million kwh.)		
	1968	1969	Percentage change	1968	1969	Percentage change
Coastal(1):						
Dar es Salaam	29·88	29·88	—	150·87	172·64	+14·4
Morogoro	—	—	—	13·23	14·43	+ 9·1
Tanga	—	—	—	51·68	56·64	+ 9·6
Pangani Falls	17·50	17·50	—	—	—	—
Hale	21·00	21·00	—	—	—	—
SUB-TOTAL ...	68·38	68·38	—	215·78	243·70	+12·9
Arusha/Moshi(1):						
Arusha	6·70	5·20	−22·4	13·66	15·31	+12·1
Moshi	1·96	9·96	+408·2	9·91	11·15	+12·5
SUB-TOTAL ...	8·66	15·16	+75·1	23·58	26·47	+12·3
Other Branches:						
Bukoba	0·80	0·80	—	1·35	1·44	+ 6·7
Dodoma	1·21	1·21	—	2·99	3·80	+27·1
Iringa	1·22	1·67	+36·9	3·88	3·84	− 1·0
Kigoma...	0·72	0·72	—	0·87	0·92	+ 5·7
Lindi	0·44	0·44	—	0·57	0·61	+ 7·0
Mbeya	0·66	0·66	—	2·13	2·36	+10·8
Mpwapwa	0·21	0·24	+14·3	0·17	0·22	+29·4
Mtwara	1·36	2·17	+59·6	1·29	1·75	+35·7
Musoma	0·42	0·50	+19·0	0·40	0·55	+37·5
Mwanza	6·56	7·56	+15·2	8·49	15·49	+82·4
Nachingwea	0·25	0·25	—	0·28	0·33	+17·9
Shinyanga	—	—	—	1·50	1·92	+28·0
Singida	0·36	0·36	—	0·42	0·52	+23·8
Tabora	1·11	1·11	—	2·36	2·69	+14·0
Tukuyu...	0·11	0·15	+36·4	0·13	0·17	+30·8
SUB-TOTAL ...	15·43	17·84	+15·6	26·83	36·61	+36·5
GRAND TOTAL ...	92·47	101·38	+ 9·6	266·19	306·78	+15·2

Source.—Tanzania Electric Supply Co. Ltd.

(1)Interconnected Systems.

STATE TRADING CORPORATION—SHARE OF IMPORTS 1969

Table 56

Commodity Division/Group	Total Imports into Tanzania 1968 (Million Shs.)	Total Imports into Tanzania 1969 (Million Shs.)	S.T.C. Imports 1969 (Million Shs.) (Percentage of Total Tanzania Exports, 1969)	Estimated S.T.C. Imports and Share 1970 onwards (Million Shs.)
Food and Live Animals	164	148	62 42%	74 65%
Beverage and Tobacco	14	15	11 73%	13 90%
Crude Material	29	27	—	25 97%
Mineral Fuels and Lubricants	167	174	—	—
Animal and Vegetable Oils and Fats ...	17	23	—	14 100%
Chemicals and Fertilizers	119	165	73 44%	145 97%
Manufactured Goods	565	501	281 56%	549 97%
Machinery and Transport Equipment ...	538	479	54 11%	296 50%
Miscellaneous Manufactures	164	154	33 21%	131 79%
Miscellaneous Transactions	57	24	—	—
TOTAL ...	1,834	1,710	515* 30%	1,248 71%

*Does not total due to rounding off.

STATE TRADING CORPORATION (EXPORT MARKETING DIVISION) SHARE OF TANZANIA AGRICULTURAL EXPORTS 1968/69*

Table 57

Item	Tanzania Exports, 1969 (Shs. '000)	S.T.C. Exports, 1968/69 (Shs. '000)	%
Maize, Unhulled	11,186	6,901	62
Cashew Kernels	17,399	2,093	12
Cassava Roots	5,156	9,420	182
Coffee, not Roasted	257,066	19,253	7
Animal Feed Stuff	34,313	2,264	7
Hides and Skins	35,588	6,887	19
Groundnuts	2,105	343	16
Copra	18,567	1,236	7
Soya Beans	144	60	42
Castor Seeds	8,748	333	4
Simsim Seeds	11,188	348	3
Sunflower Seeds	3,459	441	13
Cotton, Raw	234,683	29,482	13
Sisal	139,640	6,474	4
Mangrove Bark	48	61	127
Kapok...	1,859	43	2
Beeswax	6,232	1,558	25
Wattle Extract	9,041	6,233	69
Total ...	861,422	93,430	11
TOTAL—TANZANIA AGRICULTURAL EXPORTS	1,191,000	93,738	8

**Note.*—The S.T.C. data is for financial year ending June, 30th, 1969; the export data is for calendar year 1969. Presumably this accounts for the exceptional situations in cassava roots and mangrove bark.

Table 58

INTER EAST AFRICAN TRADE IN SELECTED GOODS OF EAST AFRICAN ORIGIN

Transfer Taxable Goods	Date of First Imposition	Rate of Transfer Tax	Imports from Kenya/Uganda (Shs. '000)				Exports to Kenya/Uganda (Shs. '000)				Balance of Trade (Shs. '000)			
			1967	1968	1969	per cent Change 1967/69	1967	1968	1969	per cent Change 1967/69	1967	1968	1969	per cent Change 1967/69
Biscuits excluding Dog Biscuits, Ice Cream Cows and Wafers ...	1.12.67	20%	1,845	761	392	— 79	257	479	560	+118	—1,588	— 282	+ 168	+ 111
Clothing and Accessories of Textile Fabric, Knitted or Crocheted ...	1.12.67	20%	1,033	617	1,471	+ 42	574	2,074	3,004	+423	— 459	+1,457	+ 1,533	+ 434
Clothing and Accessories of Textile Fabric not Knitted or Crocheted (excluding Stockings and Hose)...	1.12.67	20%	706	7,399	4,347	+516	657	957	1,139	+73	— 49	—6,442	— 3,208	—6,447
Stockings and Hose...	1.12.67	20%	131	342	284	+117	27	120	168	+ 522	— 104	— 222	— 116	— 12
Soap, Soap Powder, Detergents ...	1.12.67 / 22.12.67	20%	6,070	11,178	17,335	+186	346	1,272	1,272	+ 255	—5,724	—9,906	—16,108	— 181
Footwear	1.12.67	15%	6,385	10,225	8,352	+ 31	2,130	1,353	1,610	— 25	—4,255	—8,872	— 6,742	— 58
Cotton Yarn...	1.11.68	15%	6,530	1,268	204	— 97	5	53	3	— 40	—6,525	—1,215	— 201	+ 97
Matches	1.12.67	80%	2,046	1,713	204	— 90	—	—	—	—	—2,046	—1,713	— 204	+ 90
Paints, Enamels, Lacquers, Varnishes and Distempers (including Paste)	1.12.67 / 1.1.69	18%	380	475	491	+ 29	781	546	900	+ 15	+ 401	+71	+ 409	+ 2
Perfumery, Cosmetics and Toilet Preparations	1.12.67	30%	1,480	1,958	1,076	— 38	515	976	1,039	+ 102	— 965	— 982	— 37	+ 96

MANUFACTURING INDUSTRIES, 1965/66 and 1967*

Summary Results

Table 59

	Unit	1965	1966	1967*
Number of Establishments ...	Number	389	438	431
Number of persons engaged ...	Number	28,179	32,972	34,502
Number of employees	Number	28,054	32,594	34,157
Number of operatives	Number	24,990	28,444	29,476
Number of other employees ...	Number	3,064	4,150	4,681
Wages and salaries	'000 Shs.	97,398	123,226	139,069
Labour costs	'000 Shs.	107,707	134,879	152,795
Electricity purchased	'000 kWh	36,033	45,990	57,721
Costs of industrial production ...	'000 Shs.	865,966	994,149	865,101
Gross output	'000 Shs.	1,084,347	1,289,307	1,158,147
Value added	'000 Shs.	218,381	295,157	293,046
Depreciation	'000 Shs.	32,299	46,328	56,731

Source.—Bureau of Statistics.
*Provisional.

MANUFACTURING INDUSTRIES 1965, 1966 AND 1967*

Summary Results

Table 60

	Unit	1965	1966	1967*
Number of Establishments	Number	389	438	431
Number of Persons Engaged	Number	28,179	32,972	34,491
Number of Employees	Number	28,054	32,594	34,140
Number of Operatives	Number	24,990	28,444	29,466
Number of Other Employees	Number	3,064	4,150	4,674
Wages and Salaries	'000 Shs.	97,398	123,226	138,839
Labour Costs	'000 Shs.	107,707	134,879	152,573
Electricity Purchased	'000 kWh	36,033	45,990	57,138
Costs of Industrial Production	'000 Shs.	865,966	994,149	866,980
Gross Output	'000 Shs.	1,084,347	1,289,307	1,152,687
Value Added	'000 Shs.	218,381	295,157	285,707
Depreciation	'000 Shs.	32,299	46,328	59,792

Source.—Bureau of Statistics.
*1967 Results are provisional.

LOCAL CONSUMPTION OF CEMENT

Table 62

Year	Retained Imports tons	Transfers		Exports tons	Local Production tons	Total Estimated Consumption tons	Change from Previous Year %
		From Kenya/ Uganda tons	To Kenya/ Uganda tons				
1961	20,943	106,482	8	—	—	127,417	..
1964	3,192	148,570	4	—	—	151,758	+19·1
1965	962	176,248	18	47	—	177,145	+16·7
1966	2,283	143,489	15	4,534	49,324	190,547	+7·6
1967	3,230	73,676	79	17,320	144,621	204,128	+7·1
1968	5,012	116,456	—	28,617	153,894	246,745	+20·9
1969	6,357	79,690	155	1,783	165,012	249,121	+1·0

Source.—Bureau of Statistics.

SALES OF PETROLEUM PRODUCTS*

Table 63

'000 Gallons

Year	Motor spirit	Light diesel fuel	Heavy diesel fuel	Fuel oil	Lighting kerosene	Total Fuel Sales
1960–62	20,510	15,428	10,809	19,383	9,026	75,156
1964	21,242	16,996	12,589	22,156	10,325	83,308
1965	20,662	17,329	11,125	23,307	9,215	81,638
1966	21,870	21,126	11,884	28,418	11,259	94,557
1967	22,150	23,335	12,730	27,759	11,569	97,543
1968	23,162	26,040	13,332	26,394	13,026	101,954
1969	23,993	25,674	13,590	26,508	12,602	102,367
Percentage change 1968/69 ...	+3·6	−1·4	−1·9	+0·4	−3·3	+0·4
Annual growth rate 1960–62/69 ...	+2·2	+7·4	+3·0	+4·6	+1·5	+4·5

Source.—East African Statistical Department, Nairobi.
*Includes Zanzibar.

Table 65

COMPARATIVE HOTEL CAPACITY AND OCCUPANCY RATES BY AREA, 1968 AND 1969

Item	Unit	Dar es Salaam		Arusha/ Moshi		Northern Wildlife Areas(1)		Other Areas		Total		of which international hotel	
		1968	1969	1968	1969	1968	1969	1968	1969	1968	1969	1968	1969
Number of hotels	No.	20	21	10	13	7	7	39*	39	76*	80	12	13
Number of rooms...	No.	620	731	320*	409	235*	270	514*	545	1,689	1,955	660	765
Number of beds	No.	1,140	1,381	566*	689	466*	545	983*	1,008	3,155	3,623	1,260	1,403
Room occupancy rate	%	71	60	42	31	61	51	44	38	56	47	70	59
Bed occupancy rate	%	49	40	35*	26	49	45	31	27	41	35	49	46
Of which residents of:—													
Tanzania...	%	39	36	38	34	7	6	82	83	44	40	17	16
Kenya, Uganda, Zambia	%	13	13	16	13	7	8	6	6	11	11	13	12
Europe	%	20	24	26	32	46	39	5	5	21	24	33	33
America	%	10	10	14	16	35	41	2	2	13	15	24	25
Elsewhere	%	18	17	6	5	5	6	5	4	11	10	13	14
Average of Total ...	%	100	100	100	100	100	100	100	100	100	100	100	100
Total number of bed night ...	'000	202	213	70*	73	83	94	112*	115	467*	495	223	228

Source.—Bureau of Statistics.
(1)Hotels, lodges and tented camps in and around Northern National Parks.
*Revised figures.
Notes.—All figures refer to Tanzania mainland only.

NATIONAL EMPLOYMENT SERVICE DATA 1969

Table 67

(a) Performance of Local Employment Offices (Exchanges).

Occupational Group	Registrations	Placements	Vacancies
0	206	43	99
1	11	3	4
2	1,446	311	610
3	74	20	67
4	622	155	199
5	12	3	57
6	3,235	682	941
7/8	3,477	2,518	3,012
9	2,237	701	1,201
X	23,537	6,091	8,693
Totals	34,537	10,527	14,883

(b) Performance of the Appointments Bureau.

Occupational Group	Registrations	Placements	Vacancies
0	32	70	246
1	19	33	47
2	87	292	758
3	25	31	50
4	6	4	11
5	0	1	4
6	4	6	88
7/8	54	31	211
9	9	17	37
X	262	21	24
Totals	998	506	1,476

Code	*Occupation*
0	Professional Technical and Related Workers.
1	Administrative, Executive and Managerial Workers.
2	Clerical Workers.
3	Sales Workers.
4	Farmers, Fishermen, Hunters, Loggers and related workers.
5	Miners, Quarrymen and Related Workers.
6	Workers in Transport and Communication Occupations.
7/8	Craftsmen, Production and Process Workers and La bourers not elsewhere classified.
9	Service, Sport and Recreation Workers.
X	Workers not classifiable by Occupation.

Source.—National Employment Service.

CLASSIFICATION OF CENTRAL GOVERNMENT EXPENDITURE BY PURPOSE(1)

Table 69

Million shillings

Head of Expenditure	1965/66	1966/67	1967/68	1968/69	1969/70 Revised Estimates
1. *General Public Services:*					
1.1 General Administration	174·0	166·0	187·9	193·5	264·3
1.2 External Affairs	34·7	42·5	39·2	24·2	26·1
1.3 Public order and safety	110·6	120·5	116·7	130·1	151·3
1.4 Total	319·3	329·0	343·8	347·8	441·7
2. Defence	43·6	61·7	88·2	78·2	116·6
3. Education	175·6	181·4	194·0	220·7	319·0
4. Health	63·2	62·9	75·0	85·5	115·9
5. Social Security and Welfare Services	26·7	25·7	11·3	8·9	10·2
6. *Housing and Community Amenities:*					
6.1 Housing	23·5	26·2	17·7	16·8	16·1
6.2. Community Development	3·6	4·2	11·5	9·4	10·0
6.3 Sanitary Services	—	1·1	4·6	3·1	3·5
6.4 Total	27·1	31·5	33·8	29·3	29·6
7. Other Community and Social Services	19·0	25·9	32·5	40·6	54·1
8. *Economic Services:*					
8.1 General Administration	54·5	34·9	42·4	63·0	63·1
8.2 Agriculture, Forestry, Fishing and Hunting	113·4	132·9	143·7	174·4	200·9
8.3 Mining, manufacturing and construction	6·5	18·2	16·8	17·7	51·1(3)
8.4 Water supply, electricity, gas and steam	54·1	56·3	69·8	80·5	105·0
8.5 Roads and bridges	83·8	139·1	131·4	259·2	299·8
8.6 Inland and coastal waterways	2·3	2·5	2·7	2·7	3·7
8.7 Other transportation and communications	5·0	15·8	19·9	13·2	54·6(4)
8.8 Other Economic Services	5·7	6·8	7·9	8·6	35·3(5)
8.9 Total	325·3	406·5	434·6	619·3	813·5
9. *Other purposes:*					
9.1 Public Debt	70·3	102·0	133·2	112·8	188·6
9.2 Purchase of Financial Assets and Capital Subscriptions	—	—	14·7	72·8	111·2
9.3 Pensions and Gratuities	47·5	47·5	48·0	30·6	30·3
9.4 Total	117·8	149·5	195·9	216·2	330·1
Total Recurrent and Development Expenditure(2)	1,117·6	1,274·1	1,409·1	1,646·5	2,230·7

Source.—Treasury.

Notes:—

(1) Inclusive of Government departmental undertakings.
(2) Excluding contribution to development expenditure.
(3) Includes Shs. 25·1 million in respect of Building Division—Comworks.
(4) Construction of Kilimanjaro Airport of the order of Shs. 40·0 million.
(5) Includes contribution to Regional Development Fund.

TANZANIA GOVERNMENT—RECURRENT REVENUE

Table 70

Million shillings

Item	1965/66	1966/67	1967/68	1968/69	1969/70 Estimates
Income Taxes	223·5	232·8	263·7	338·6	335·0
Import and Excise Duties ...	359·8	418·4	488·5	530·2	580·5
Export Taxes	12·3	37·9	35·5	53·0	54·0
Licences and other Taxes ...	41·4	50·5	64·9	77·6	49·5
Sales Taxes	—	—	—	—	155·0
Income from Property ...	70·7	73·2	107·9	93·7	74·7
Distributable Pool	19·9	24·2	19·1	13·8	0·5
Miscellaneous	164·3	180·2	144·0	150·4	249·0
Total Revenue(1)	891·9	1,017·2	1,123·6	1,257·3	1,498·2

Source.—Treasury.

(1)Including reimbursements and appropriations-in-aid but excluding contribution from Development Votes of the order of Shs. 5·5 million in 1969/70, interdepartmental transfers and transfers from funds.

Table 71

ACTUAL DEVELOPMENT EXPENDITURE COMPARED TO BUDGET ESTIMATES* 1964/69

Ministry	1964/1965			1965/1966			1966/1967			1967/1968			1968/1969		
	Estimates ('000 Shs.) (1)	Actual Expenditure ('000 Shs.) (2)	Ratio of (2) to (1) %	Estimates ('000 Shs.) (1)	Actual Expenditure ('000 Shs.) (2)	Ratio of (2) to (1) %	Estimates ('000 Shs.) (1)	Actual Expenditure ('000 Shs.) (2)	Ratio of (2) to (1) %	Estimates ('000 Shs.) (1)	Actual Expenditure ('000 Shs.) (2)	Ratio of (2) to (1) %	Estimates ('000 Shs.) (1)	Actual Expenditure ('000 Shs.) (2)	Ratio of (2) to (1) %
Comworks (Proper) ...	95,826	46,741	48·8	123,786	50,129	40·5	106,711	100,114	93·8	143,890	110,238	76·6	194,852	217,770	111·8
Works on behalf of other Ministries (Comworks) ...	66,824	44,858	67·1	85,336	45,558	53·4	38,911	24,691	63·4	18,477	14,776	79·9	18,810	13,230	70·3
Landsurvey	64,914	34,751	53·5	75,207	42,772	56·9	35,320	35,252	99·8	74,155	53,305	71·9	75,238(1)	56,323(1)	74·9
Education	35,889	30,964	86·3	31,525	25,472	80·8	28,944	20,242	69·9	20,710	20,936	101·0	8,070	7,393	95·3
Agriculture	16,597	12,130	73·1	29,668	13 828	46·6	20 416	23,695	116·0	41,873	28,900	69·0	48,940(2)	37,940(2)	77·5
Defence and National Service	12,184	4,584	37·7	3,400	4,190	123·2	12,050	22,268	184·8	26,613	33,171	124·6	34,716	26,604	76·6
Home Affairs	6,813	2,575	37·8	4,553	3,316	72·8	3,368	4,548	135·0	4,212	3,681	87·4	—	—	—
Treasury	—	—	—	22,000	26,000	118·1	—	—	—	10,001	7,285	72·8	—	—	—
Information	170	72	42·2	4,754	1,265	26·6	1,520	1,278	84·1	184	174	94·5	100	100	100·0
Local Government and Housing	3,900	3,807	97·6	6,759	988	14·6	13,520	7,437	55·0	5,223	4,373	83·7	31,180(3)	28,851(3)	92·5
Mincom (in Co-operatives)	1,490	938	63·0	30,294	1,325	4·4	23,069	12,052	52·2	13,811	2,231	16·2	2,637(4)	1,140(4)	43·2
Maendeleo (excluding Regional Administration)	2,348	330	14·3	7,262	3,326	45·8	6,699	4,331	64·7	18,110	13,131	72·5	(Included in Local Govt.		
Health	1,025	687	67·0	1,695	330	19·5	302	197	65·1	4,394	3,889	98·4	19,164	19,344	100·9
Devplan	760	560	73·7	360	182	50·6	2,112	—	50·1	11,489	10,725	93·3	2,041	2,030	99·5
Foreign	1,400	627	44·8	539	1,063	197·4	320	974	304·4	875	868	92·2	1,800	1,650	92·1
Second Vice-President's Office	118	14	11·6	20	19	95·8	—	422	—	442	369	83·5	—	—	—
Justice and Judiciary ...	60	11	17·7	60	2	3·6	67	4	6·0	40	1	2·8	24	3	12·5
Estabs	—	—	—	2,800	—	—	430	1	0·2	394	380	96·5	304	294	96·7
Total ...	310,297†	183,653	59·2	430,018	219,765	51·1	293,750	258,564	88·3	394,893	308,434	78·1	437,876	412,980	94·3

*These figures represent the total of funded projects and exclude Government contribution to parastatals.
†This figure (1964/65) represents the budgeted estimates for only those projects in respect of which there had been some expenditure in 1964/1965.
(1)Includes Housing.
(2)Includes Co-operatives.
(3)Excludes Housing, includes Rural Development and Regional Administration.
(4)Excludes Co-operatives.

Table 72.

DEVELOPMENT EXPENDITURE* BY MINISTRY, 1964/1970

Ministry	Actual Development Expenditure						Relative Share of Actual Expenditure 1964/69 (%)	Relative Share of Estimated Actual Expenditure 1969/70 (%)
	1964/65 ('000 Shs.)	1965/66 ('000 Shs.)	1966/67 ('000 Shs.)	1967/68 ('000 Shs.)	1968/69 ('000 Shs.)	Estimated Actual 1969/70 ('000 Shs.)		
Comworks (including Labour)	46,741	50,129	100,114	110,239	231,000(1)	235,000	38·9	47·0
Landsurvey	34,752	42,971	35,252	53,306	56,323	34,750	16·1	7·0
Education	43,127	10,841	27,096	24,326	7,693	35,250	10·6	7·0
Agriculture (exc. Coops)	16,547	17,291	27,480	30,799	37,940(2)	60,000	9·4	12·0
Defence and National Service	7,712	8,716	22,268	33,171	26,604	65,000	7·1	13·0
Home Affairs	7,849	8,750	14,478	7,371	—	10,000	2·8	2·0
Treasury	—	26,000(†)	—	7,285	—	300	2·4	0·2
Information	15,609	10,716	1,278	174	103	6,300	2·0	1·3
Local Govt. and Regional Administration	4,148	1,164	7,437	5,728	28,851(3)	28,500	3·4	5·7
Mincom. (including Coops)	1,583	2,056	14,952	2,231	1,140(4)	3,400	1·6	0·7
Maendeleo (exc. Regional Administration)	1,905	3,767	4,331	13,131	Included in Local Government		1·7	—
Health	1,573	2,503	1,329	8,316	19,344	15,200	2·4	3·0
Devplan	560	182	1,058	10,725	2,030	1,300	1·1	0·3
Foreign	629	1,062	974	869	1,658	2,800	0·4	0·6
Second Vice-President's Office	120	525	422	369	—	—	0·1	—
Justice and Judiciary	800	92	94	16	003	—	0·1	—
Central Establishments	—	—	1	380	294	2,200	0·3	0·4
TOTAL	183,653	219,765	258,566	308,434	412,980	500,000	100·0	100·0
Percent increase from year to year	--	19·7	17·6	19·3	48·6	21·1	—	—
Index (1964/1965=100)	100	120	141	168	225	272	—	—

*Excluding Central Government Contribution to Parastatals, except for (1).
(†)Provision of capital for the Bank of Tanzania and the National Bank of Commerce.
(1)Includes Housing.
(2)Includes Co-operatives.
(3)Excludes Housing, includes Rural Development and Regional Administration.
(4)Excludes Co-operatives.

Table 74

SUMMARY STATISTICS OF TANZANIAN PARASTATAL SECTOR

Industry	Number of Enterprises			Employment			Wages and salaries (Mill. Shs.)			Current Expenditure (Mill. Shs.)			Receipts (Mill. Shs.)			Net Surplus (Mill. Shs.)			Fixed Capital investment[1] (Mill. Shs.)		
	1966	1967	1968	1966	1967	1968	1966	1967	1968	1966	1967	1968	1966	1967	1968	1966	1967	1968	1966	1967	1968
Agriculture ...	4	5	7	4,736	4,847	11,665	12·1	16·4	38·6	25·7	35·5	75·1	27·7	32·5	64·0	2·0	—3·0	—11·1	5·4	6·0	2·4
Mining	2	2	2	2,795	2,638	2,593	26·1	28·7	26·6	62·6	71·0	61·8	121·7	278·6	114·2	63·7	212·3	82·4	4·9	5·0	4·1
Manufacturing ...	17	26	30	3,619	5,302	8,792	23·2	36·7	50·9	261·5	392·9	461·2	287·0	417·9	497·8	25·5	25·0	36·6	34·1	27·0	89·5
Construction ...	2	2	2	5,076	5,027	2,497	13·0	13·2	20·3	47·2	53·4	64·2	49·5	54·3	63·7	2·2	0·9	—0·5	3·8	6·0	6·0
Electricity ...	1	1	1	1,810	2,010	2,151	12·5	13·8	14·4	37·8	40·3	44·2	57·5	62·0	67·7	19·7	21·7	23·5	33·7	31·5	32·8
Commerce ...	11	14	14	971	3,289	3,104	6·7	15·3	27·6	777·5	876·5	1129·4	775·3	889·8	1188·2	—2·2	13·3	58·8	4·2	21·4	13·4
Finance[2] ...	6	9	13	422	2,049	2,558	4·5	30·5	39·8	18·2	89·7	127·5	34·0	159·9	194·7	15·8	70·2	67·2	—0·6	4·3	13·0
Transport ...	—	2	3	—	965	..	—	5·8	17·1	—	31·6	125·5	—	31·8	130·9	—	0·2	5·4	15·0	157·4	116·1
Services	3	3	3	461	518	534	2·1	2·3	2·3	5·9	6·3	4·7	5·4	6·3	5·1	—0·5	0·0	0·4	1·2	2·1	1·8
Total ...	46	64	75	19,890	26,645	33,894	100·2	162·7	237·6	1,236·4	1,597·2	2,093·6	1,358·1	1,933·2	2,356·3	1,26·3	340·6	262·7	101·7	260·7	279·1

Source.—Bureau of Statistics.

(1)Excludes overseas share of Friendship Textile Mill, private sector share of N.H.C. building and E.A. Corporation.

(2)Includes Real Estate and Business services.

HEALTH STATISTICS

Table 77 (As at 31st December)

Item	Unit	1960–62	1966	1967	1968	1969*	Percentage change 1968/69
Hospitals(1):	No.	99	112	116	120	122	+1·7
Beds	No.	11,031	13,794	14,650	16,074	16,932	+5·3
In-patients	'000	222	343	367	382	412	+7·9
Out-patients ...	'000	5,556	9,107	10,625	11,366	12,429	+9·4
Dispensaries:	No.	990	1,217	1,277	1,542	1,626	+5·4
Beds	No.	5,750	7,102	8,052	8,004	8,414	+5·1
In-patients	'000	..	..	181	107	110	+2·8
Out-patients ...	'000	16,500	28,369	33,609	40,452	48,946	+21·0
Rural health centres ...	No.	..	..	..	46	52	+13·0
Doctors (registered)(2)	No.	..	205	231	258	282	+9·3

Source.—Ministry of Health and Social Welfare.

*Provisional.

.. means not available.

(1) Medical units, with a minimum of 30 beds and staffed by a doctor licensed or registered.

(2) Public and Voluntary Agencies doctors only, excluding private doctors.

GLOSSARY

MINISTRY/PARASTATAL:	*Telegraphic Address/ Abbreviation Used in the Text*
1. President's Office	CABINET.
2. Central Establishment Division	ESTABS.
3. Ministry of Regional Administration and Rural Development	MAENDELEO.
4. Ministry of Foreign Affairs	FOREIGN.
5. Second Vice-President's Office	MAKAMU.
6. Ministry of Agriculture, Food and Co-operatives	KILIMO.
(a) The National Agricultural Product's Board	NAPB.
(b) Tanzania Sisal Board	TSC.
(c) Tanzania Tobacco Board	TTB.
(d) Tanzania Pyrethrum Board	TPB.
(e) Tanzania Coffee Board	TCB.
(f) Tanzania Sisal Corporation	TSC.
(g) Tanzania Tea Authority	TTA.
(h) The National Milling Corporation	NMC.
(i) The National Dairy Board	NDB.
(j) The National Sugar Board	NSB.
(k) The National Development Credit Agency	NDCA.
(l) The National Co-operative Bank	NCB.
(m) The National Co-operative and Development Bank	NCDB.
(n) The National Agricultural and Food Co-operation	NAFCO.
(o) The Lint and Seed Marketing Board	LSMB.
7. Ministry of Economic Affairs and Development Planning	DEVPLAN.
(a) National Water Resources Council	NWRC.
8. Ministry of National Education	EDUCATION.
9. Ministry of Commerce and Industries	MINCOM.
(a) National Development Corporation	NDC.
(b) Tanzania Electricity Supply Company Ltd.	TANESCO.
(c) The State Trading Corporation	STC.
(d) National Distributors Ltd.	NDL.
(e) National Small Industries Corporation	NSIC.
(f) Tanzania Italian Petroleum Refinery Company	TIPER.
(g) Tanzania Petroleum Development Company	TPDC.
10. Ministry of Communications, Transport and Labour	COMWORKS.
(a) Workers Development Corporation	WDC.
(b) National Provident Fund	NPF.
11. Ministry of Lands, Housing and Urban Development	LANDSURVEY.
(a) Mwananchi Engineering and Construction Company Ltd.	MECCO.
(b) National Housing Corporation	NHC.
(c) National Property Development and Management Company	NPDMC.

12. Ministry of Home Affairs	HOME AFFAIRS.
13. Ministry of Health and Social Welfare	HEALTH.
14. Ministry of Information and Tourism	MAELEZO.
(a) Tanzania Tourist Corporation	TTC.
(b) National Parks	PARKS.
15. Ministry of Finance	TREASURY.
(a) Bank of Tanzania	BT.
(b) National Bank of Commerce	NBC.
(c) National Insurance Corporation	NIC.
(d) National Computer Corporation...	NCC.
(e) Tanzania Audit Corporation	NAC.
(f) Tanzania Development Bank	TDB.
(g) Permanent Housing Finance Company of Tanzania Ltd.	PHFC.
(h) Tanzania Development Finance Company Ltd. ...	TDFL.

MULTI-NATIONAL PARASTATALS:

1. Directorate of Civil Aviation	DCA.
2. East African Airways Corporation	EAAC.
3. East African Community	EAC.
4. East African Currency Board	EACB.
5. East African Development Bank	EADB.
6. East African Harbours Corporation	EAHC.
7. East African National Shipping Line	EANSL.
8. East African Posts and Telecommunications	EAP. & T.
9. East African Railways Corporation	EARC.
10. Tanzania Zambia Pipeline	TAZAMA.
11. Tanzania Zambia Railway Authority	TAZARA.
12. Zambia Tanzania Road Services	ZTRS.

INTERNATIONAL ORGANIZATIONS:

1. African Development Bank	ADB.
2. Commonwealth Development Corporation	CDC.
3. Economic Commission for Africa	ECA.
4. European Economic Community	EEC.
5. International Bank for Reconstruction and Development (World Bank)	IBRD.
6. International Monetary Fund	IMF.
7. International Development Association	IDA.
8. Swedish International Development Agency	SIDA.
9. United Nations Conference on Trade and Development ...	UNCTAD.
10. United Nations Development Programme (Special Fund) ...	UNDP. (SF).
11. United Nations Educational, Scientific and Cultural Organization	UNESCO.
12. United Nations Food and Agricultural Organization	UNFAO.
13. United States Agency for Internation Development	USAID.
14. World Health Organization	WHO.

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